

Title of Report	FORMER TENANT RENT ARREARS, CURRENT TENANT RENT ARREARS, COUNCIL TAX, NON DOMESTIC RATES AND SUNDRY DEBTOR WRITE OFFS UNDERTAKEN IN FINANCIAL YEAR 2021/22	
Presented by	Councillor Nick Rushton Corporate Portfolio Holder	
Background Papers	All information used in compiling the report contain exempt information under paragraph 3 of Part 1 to Schedule 12A Local Government Act 1972	Public Report: Yes
		Key Decision: Yes
Financial Implications	There is no additional financial effect as all the debts are met from the Authority's bad debt provision for previous years arrears or from in year income if the debts relate to the current financial year	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None identified	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None identified	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	<ol style="list-style-type: none"> 1. To approve write offs over £10,000 2. To advise cabinet of total annual write offs to date in accordance with agreed reporting guidance. 	
Reason for Decision	To comply with proper accounting practices.	
Recommendations	THAT CABINET <ol style="list-style-type: none"> 1. APPROVES THE NON-DOMESTIC RATES WRITE OFFS THAT ARE OVER £10,000 2. NOTE THE INFORMATION CONTAINED WITHIN THE SUMMARY REPORT AS A TRUE REPRESENTATION OF WRITE OFFS UNDERTAKEN DURING 2021/22 TO DATE UNDER DELEGATED POWERS 	

1.0 WRITE OFFS

1.1 The purpose of this report is to seek approval to write off debts over £10,000

1.2 This report contains details of debts written off to date under delegated powers (under £10,000). Final details of overall write offs will be circulated annually.

- 1.3 Writing off debts is only considered where appropriate recovery and enforcement options have been taken, or, where the council are legally prohibited from pursuing the debt.

These include:

- Bankruptcy or a Debt Relief Order is in place;
- Deceased – No assets within the estate;
- Debtor Absconded / No Trace;
- Company in liquidation/dissolved or ceased trading with no assets;
- Severe hardship and/or serious health issues;

Statute barred i.e. we cannot legally pursue the debt as there has been six years since the debt fell due and no action has been taken to collect the debt; or

- Uneconomical to collect i.e. it is not financially viable to take further action for example due to the low level of the debt or they have gone abroad.

2.0 NON DOMESTIC RATES (NNDR)

- 2.1 There are 11 Non Domestic Rate debts over £10,000 for which Cabinet approval is sought amounting to £278,317.76.

Company	Financial Year	Status on Account	Amount to be Written Off
Limited Company	2019/20- £5,300.72 2020/21- £13,597.75 2020/22- £1,117.62	Absconded	£20,016.09
Limited Company	2019/20- £5,932.72 2020/21- £6,505.34 2021/22- £594.70	Absconded	£13,032.96
Limited Company	2019/20- £17,307.75 2020/21- £10,361.09	Company in Liquidation	£27,668.84
Sole Trader	Pre2016/17- £38,680.50 2016/17- £6,897.00 2017/18- £6,705.00 2018/19- £6,904.50 2019/20- £6,417.28	Uneconomical to pursue	£65,604.28
Limited Company	2019/20- £48,244.44	Company entered Administration on 29.01.2020	£48,244.44
Limited Company	2019/20- £10,148.50	Company entered Administration on 29.01.2020	£10,148.50
Limited Company	2019/20- £11,840.72	Company entered Administration on 29.01.2020	£11,840.72

Limited Company	Pre 2016/17- £11,869.82	Uneconomical to pursue	£11,869.82
Limited Company	2020/21- £17,920.70	Company entered into liquidation	£17,920.70
Sole Trader	Pre 2016/17- £11,750.04 2016/17- £271.34	Uneconomical to pursue	£12,021.38
Limited Company	2020/21- £35,461.26 2021/22- £4,488.77	Company entered Administration on 11.05.21.	£39,950.03
TOTAL			£278,317.76

2.2 For Business Rates, writing off debt is only ever considered as a last resort. In the above instances when companies, sole traders or partnerships become insolvent the Council is prohibited from taking any further action as all of their outstanding debts are included within the Administration, Liquidation or personal bankruptcy.

2.3 There are no write offs for consideration for any other fund that have a value of over £10,000.00.

3.0 SUMMARY OF WRITE OFFS TO DATE

3.1 For each Fund the total write offs completed are split into Cabinet approved (Over £10,000.00) and those written off under delegated powers (Under £10,000.00). Details of the original Bad Debt Provision and the value remaining at the end of the Financial Year are also stated.

The figures can be found below in 3.2 Write Offs Undertaken to date in Financial Year 2021/21.

3.2 Write offs Undertaken to date in Financial Year 2021/22

Fund	2021-22 Bad Debt Provision £	Cabinet Approved Write Offs £	Delegated Powers Write Offs £	Total Value of write Offs £	Bad Debt Provision Remaining £
Council Tax	3,784,364.81	0.00	279,163.32	279,163.32	3,505,201.49
National Non-Domestic Rates	1,512,671.71	0.00	69,740.99	69,740.99	1,442,930.72
Overpaid Housing Benefit	1,160,707.65	0.00	0.00	0.00	1,160,707.65
Housing Rent	1,112,085.05	0.00	13,771.89	13,771.89	1,098,313.16
Sundry Debtor Invoices	93,000	0.00	0.00	0.00	93,000

Policies and other considerations, as appropriate	
Council Priorities:	Value for Money
Policy Considerations:	Not applicable.
Safeguarding:	Not applicable.
Equalities/Diversity:	Not applicable.
Customer Impact:	Not applicable.
Economic and Social Impact:	Not applicable.
Environment and Climate Change:	Not applicable.
Consultation/Community Engagement:	Not applicable.
Risks:	Regular reviews of debts for write off mitigates the risk that the Council's accounts do not reflect the true level of recoverable income. It is also part of an effective arrears management strategy.
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