



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

FINANCE & PERFORMANCE SCRUTINY 21 NOVEMBER 2016
EXECUTIVE 21 DECEMBER 2016

WARDS AFFECTED ALL WARDS

COUNCIL TAX, NON DOMESTIC RATES AND OVERPAID HOUSING BENEFIT WRITE-OFFS

Report of Interim Head of Finance

1. PURPOSE OF REPORT

- 1.1 This report seeks approval to write-off debts over £10,000 in respect of outstanding business rates and to provide the details of the sums written off under delegated powers.

2. RECOMMENDATION

- 2.1 The Executive approves the six business rate write offs detailed in part 3.5 of this report and note the amounts written off under delegated powers.

3. BACKGROUND TO THE REPORT

3.1 Write off limits

The write off limits for council tax, business rates and housing benefit overpayments are contained within the Financial Procedure Rules 2013.

- For debts up to but not exceeding £100 (including aggregated debts for one debtor), the delegated authority rests with the council tax or business rates team leader.
- For debts greater than £100 but not exceeding £1,000 (including aggregated debts for one debtor), the delegated authority rests with the Authority's Partnership Manager.
- For debts greater than £1,000 but not exceeding £10,000 (including aggregated debts for one debtor) (and for all credit balances), the delegated authority rests with the Senior Partnership Manager.
- For debts greater than £10,000 (including aggregated debts for one debtor) the request for write-off must be made in a report to the Executive.

- 3.2 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.
- 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.

3.3 In respect of outstanding business rates and council tax the following action is taken:

- If payment is not received by the instalment due date a reminder notice is issued.
- If payment is received within seven days the tax payer may continue with their original instalment plan. If they default again within the year, then one further reminder notice is issued. If they do not pay, the following steps are taken.
- If payment is not received by the date on the reminder notice, a court Summons is issued. The Summons advises them of the date and time that the council will attend the Magistrates Court in order to apply for a Liability Order.
- Once a Liability Order is obtained, the council has a number of enforcement options available to recover the sum due.

3.4 Options available to recover the debt

Once a Liability Order has been obtained each debt is reviewed and the most appropriate course of action determined. It is only after all of these have been considered and/or pursued that the debt is put forward for write off.

- Apply to the debtor's employer for an Attachment of Earnings.
- Apply to the DWP for a deduction from the debtor's benefits
- Instruct an external enforcement company (bailiffs) to collect the debt on the council's behalf.
- If the bailiff company are unsuccessful, the council could commence committal proceedings against the debtor.
- If the debtor owns their own home a Charging Order could be placed on the property.
- If the debt is over £5000, bankruptcy proceedings could be commenced against the debtor.

3.5 Business rate write offs

There are six cases over £10,000 which approval is sought for write off. The companies concerned are in liquidation and we are legally prohibited from taking any further action to recover the debt.

Company	Address	Date of insolvency	Amount to be Written Off
Limited Company	Hinckley	Liquidation 07.10.13	£11,852.25
Limited Company	Kirkby Mallory	Liquidation 14.03.16	£14,244.47
Limited Company	Hinckley	Dissolved 07.10.15	£21,860.35

Limited Company	Burbage	Dissolved 05.01.16	£10,405.82
Limited Company	Hinckley	Liquidation 22.02.16	£57,152.47
Limited Company	Desford	Voluntary Arrangement 19.07.16	£69,584.00

3.6 Summary of business rates debts written off under delegated authority

Reason	Amount
Debtor Absconded / No Trace	£22,628.16
Company in liquidation/dissolved or ceased trading with no assets	£32,282.88
Total	£54,911.04

3.7 Summary of council tax debts written off under delegated authority

Reason	Amount
Bankruptcy or a Debt Relief Order	£19,484.65
Debtor Absconded / No Trace	£27,554.92
Deceased – No assets in the estate	£878.73
Severe Hardship and/or Serious health Issues	£0
Statute Barred	£1,526.44
Uneconomical to collect / insufficient recovery data	£2,359.20
Total	£51,803.94

3.8 Summary of housing benefit overpayments written off under delegated authority

Reason	Amount
Bankruptcy or a Debt Relief Order	£625.68
Debtor Absconded / No Trace	£1,287.29
Deceased – No assets in the estate	£0
Uneconomical to collect	£129.26
Total	£2,042.23

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 The report can be taken in open session as the individual's details have been omitted from this report.

5. FINANCIAL IMPLICATIONS [FM/AG]

5.1 The bad debt provisions for 2016/17 are:
 Business Rates £63,798.23
 Council Tax £918,447.71
 Housing Benefits £249,015.83

6. LEGAL IMPLICATIONS

6.1 Set out in the report.

7. CORPORATE PLAN IMPLICATIONS

7.1 This report supports the Corporate Plan objective for supporting individuals.

8. CONSULTATION

8.1 None required in respect of this update report.

9. RISK IMPLICATIONS

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 There are no implications as the decision to write-off is debt is dealt with consistently and in accordance with adopted policies and procedures across the Borough.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector.

Background papers: None

Contact Officer: Ms S Williams-Lee Ext 8148

Executive Member: Cllr M Surtees