

Report to: EXECUTIVE CABINET

Date: 20 December 2023

Executive Member: Councillor Jacqueline North – First Deputy, Finance, Resources and Transformation

Reporting Officer: Ashley Hughes – Director of Resources
Ilys Cookson – Assistant Director, Exchequer

Subject: **INCOME COLLECTION PERFORMANCE, RECOVERY AND DEBT**

Report Summary: Tameside’s collection and recovery performance over the last 5 years is comparable to its Greater Manchester neighbours at 93.80% average in year Council Tax collection against a Greater Manchester average of 94.57%, and 95.88% in year Business Rates collection against a Greater Manchester average of 95.12%.

Even with an in-depth and strong recovery process for debt, there are occasions when debts become irrecoverable and recommended to be written off.

As part of good financial management, debt that is deemed to be irrecoverable should be written off the balance sheet periodically. The Councils’ Risk Management and Audit service recommendations accords with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice which confirms that debts should be written off at the point they are judged to be uncollectible.

Whilst small scale debt write offs have been actioned across Council Tax, Business Rates and Sundry Debtors, there remains a significant balance of debt that is now deemed irrecoverable. This position is based on an analytical review of all aged debt as at 30 September 2023.

Timely write off of debt deemed to be irrecoverable also allows the Council to focus its finite staffing and financial resources towards collection of debt with the greatest chance of recovery.

This is not to say that debt will be written off, as there is a full recovery process, inclusive of legal proceedings, before a write off is recommended.

The totals being recommended to be written off across three debt classes of Council Tax, Business Rates and Sundry Debt is £10.905m.

The Council does hold provisions for bad debt for all three debt classes and these are currently greater than the values proposed for write off.

This report sets out the recovery processes for Council Tax, Business Rates and Sundry Debts, provides collection performance over previous years, and details the reasons why some debts are irrecoverable.

Historic irrecoverable arrears from 2000/1 are contained within this report and approval is sought to write off bad debt for Council Tax,

Business Rates, Sundry Debts (including adult social care debts) from 2000/1 to 2017/18.

The implications of holding irrecoverable debt and increased provisions are detailed in this report, and the report highlights the current process by which bad debt is written off, with a new process being proposed for approval.

Recommendations:

That Executive Cabinet be recommended to approve:

- 1) The write off of irrecoverable debts totalling £10.905m analysed as:
 - a. £8.742m of Council Tax debt between the period of 2000/01 and 2017/18;
 - b. £0.382m of Business Rates debts and;
 - c. £1.781m Sundry debts.
- 2) As of December 2023, debt write offs are processed quarterly under the following circumstances:
 - a. The age of the debt is more than 6 years old, and;
 - b. The debt is deemed irrecoverable, and;
 - c. no payment has been received within 90 days, and recovery has been exhausted.
- 3) Bad debt less than 6 years old that can be deemed irrecoverable due to extenuating circumstances also be written off on a quarterly basis, from December 2023, as part of good financial management and outlined in the CIPFA Code of Practice.
- 4) Section 28 of the Council Financial Regulations be amended for the proposed debt write off amendments.
- 5) The proposed quarterly write offs to form part of the financial monitoring reports to Executive Cabinet as part of streamlining the reporting process with details captured in relevant appendices to the monitoring reports.

Policy Implications:

In line with Council policy.

**Financial Implications:
(Authorised by the
statutory Section 151
Officer & Chief Finance
Officer)**

The Council does not have General Fund revenue budgets for the writing off of bad debt. The correct accounting treatment is to set aside a sum of money in a provision by debt class. These provisions form part of the Council's balance sheet in the Annual Statement of Accounts. The Council holds £24.108m in bad debt provisions and the proposed write offs total £10.905m, therefore there is sufficient levels of provision held so as not to cause a pressure to the General Fund as a result of the decisions in this report. The provisions are analysed in the table below:

Debt Class	Write Offs Proposed (£m)	Available Provision as at 31/03/2023 (£m)	Remaining Provision after write off (£m)
Council Tax	8.742	14.703	5.961
Business Rates	0.382	3.350	2.968
Sundry Debt	1.781	6.055	4.274
TOTAL	10.905	24.108	13.203

Council Tax and Business Rates are managed within the Collection Fund. All income collected is held in this account and, on an annual

basis, the Council's share is transferred into the Revenue Budget. Local taxation is a key component of the funding for the revenue budget.

Council Tax is collected by raising debts against the accounts of individual households. These debts remain on account until paid or written off.

The Council has policies and procedures in place to maximise debt collection. However, where there is a risk of uncollected debts, funding for this is set aside in a provision. The provision is reviewed annually and amended to reflect the level of outstanding debt, its age and level of risk associated with non-collection.

Provisions for bad debt are recalculated annually, based on the age and total value of outstanding debts due, any upward changes in provisions will be a cost to the Collection Fund and if this causes a deficit it would create a pressure in the General Fund in the following year. The Council holds a Collection Fund reserve to manage cash flow peaks and troughs as a mitigating action to ensure the General Fund is protected from any potential significant changes in collection that may arise.

If approved, the debt will be removed from the payee account, and the appropriate adjustments will be made in the Council's accounts to reflect the write offs.

As part of setting its budget and Medium-Term Financial Strategy (MTFS) the Council takes debt write offs into account when calculating available resources to support expenditure. The decision to write off the irrecoverable debt in this report should not adversely impact future MTFS iterations nor the ability of the Council to set a balanced budget for 2024/25.

Regular review of debt, and writing off where appropriate, is part of good financial management. The decision to write off debts of a significant age, where the debts are irrecoverable under the circumstances set out in this report, will ensure the Council is able to target its scarce resources into maximising collectible debt recovery.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

Council Tax and business rates deliver a critical revenue to enable the council to deliver its statutory functions. Therefore, write off is considered as a last resort only. Similarly, all other debts are pursued as far as possible as any non-payment has an impact on the council's financial position. Officers and Members have a duty to ensure that every reasonable avenue is explored before any debt is written off. However, it is inevitable that the Council like any organisation will experience a degree of bad debt. Once that debt becomes persistent then it can start to impact on the council's overall financial management. Therefore, this report is seeking to write off some aged debts as set out in the recommendations.

Risk Management:

The risks are set out in Section 6 of this report.

Background Information:

The background papers relating to this report can be inspected by contacting Ilys Cookson.



Telephone: 0161 342 4056



e-mail: ilyc.cookson@tameside.gov.uk

1. INTRODUCTION

- 1.1 A significant part of the Council's overall budget is received through Council Tax, Business Rates and Sundry Debts, therefore collection and recovery is an essential part of the Council's overall budget management, particularly in the current challenging financial climate. However, a portion of these payments will still not be made on time, if at all, and so the Council as 'keeper of the public purse' has a fiduciary duty to pursue any debts owed rigorously whilst having regard to the guidance on the need to consider evidence, reasonableness, and appropriateness of collection.
- 1.2 Tameside has a history of collecting more Council Tax than the amount predicted for budget requirements with an average of 97.5% over a 4-year collection period, and an average of 93.80% collected in the year that the Council Tax was due compared to a Greater Manchester local authority average of 94.57%, after considering deprivation levels and differing Council Tax Support schemes. Business Rates collection in Tameside equally compares favourably with 95.88% collected in the year that Business Rates are due compared to 95.12% Greater Manchester local authorities' average.
- 1.3 By law the financial implications of recovery, collection and irrecoverable monies are factored into the Council's overall budget position, and in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice, the Council maintains provisions for write-offs in respect of Council Tax, Business Rates and Sundry Debt invoices.
- 1.4 The provisions are subject to annual changes based on need, but kept under review throughout the year, and the bad debt provision is money set aside on the balance sheet for future need arising from historic events such as historic uncollected debts and which is therefore already accounted for in the budget for ceased bad debt accounts over 6 years old from 1999/2000 to 2017/2018 that require writing off the system. Therefore, the balance sheet is artificially high, and needs to reduce to be more reflective of the overall current position with respect to collectible debt.
- 1.5 The collection of monies is a statutory duty in accordance with legislation pertaining to each function. It is essential that all monies owed to the Council are collected in a timely manner using legally permitted processes, and it is considered good financial management to direct resource to the collection of debts which have a possibility of recovery.
- 1.6 This report details the recovery processes relating to debt type, provides data in relation to recovery and highlights that there are a number of different circumstances where the Council, by law, is unable to recover debts, in addition to those cases where recovery has been exhausted. In these cases, the debts become irrecoverable i.e., bad debts. A new process to write off irrecoverable monies in a timely and automated manner is also proposed.

2 COUNCIL TAX

- 2.1 In March each year the service sends out most of the Council Tax Bills, however bills are also sent out throughout the year as changes occur. The Debt Recovery Policy, approved by Executive Cabinet in November 2021, and which details the recovery processes used, which follow legislation pertaining to recovery of monies: [Debt-Recovery-Policy.pdf \(tameside.gov.uk\)](#). Data detailed in Appendix One puts into context the number of accounts and amount of money to be collected.
- 2.2 The Department for Levelling Up, Housing and Communities, (DLUHC), estimates that nationally Council Tax arrears have reached £5.5 billion. The Council's Debt Recovery Policy available on the Council's website details the legislative process by which the Council can recover monies owed in respect of Council Tax, Business Rates and Sundry Debts.

- 2.3 Council Tax recovery utilises both Magistrates Courts and Enforcement Agent recovery as set out in the Local Government Finance Act (Administration and Enforcement) Regulations 1992, which details the method and timescales for the statutory recovery of Council Tax. Only when recovery is exhausted is the debt recommended for write-off.
- 2.4 Recovery of monies owed continues, regardless of the financial year in which the debt falls, and arrears continue to be recovered until all arrears are paid, or the debtor's circumstances are such that the debt becomes irrecoverable by law or recovery is exhausted. Appendix Three details the circumstances in which a debt cannot legally be recovered.
- 2.5 Table 1 below details the Council Tax cash collected in respect of previous years arrears in relation to the tax base requirements for the Councils overall budget purposes. It is important to note that due to proactive and robust collection of all arrears, over several years, that there has been a history of collecting more than the requirement predicted for Council budget requirements. It is anticipated that this trend will continue in future years as arrears continue to be collected for many years after the debt was first raised.

Table 1: Council Tax Arrears Collection Performance				
Financial Year	% Collected in year raised	Actual % collection as at 01 September 23	% Budget collection	Collection +/- to Budget %
2014/15	94.07%	98.01%	95%	3.01%
2015/16	94.17%	97.71%	95%	2.71%
2016/17	93.69%	97.34%	95%	2.34%
2017/18	93.40%	96.92%	96.5%	0.42%
2018/19	93.41%	96.59%	98.0%	-1.41%
2019/20	93.52%	96.12%	98.0%	-1.88%
2020/21	93.95%	96.27%	98.0%	-1.73%
2021/22	94.03%	95.55%	97.0%	-1.45%
2022/23	93.66%	95.02%	97.0%	-1.98%

- 2.6 Many taxpayers do pay regularly, and on time. The bar charts in Appendix One detail the Council Tax monies collected in respect of previous years arrears and shows a typical arrears collection picture that money continues to be collected and that arrears balances reduce over time. This demonstrates that money is still being collected from 2000/1 in respect of Council Tax.
- 2.7 Collecting money for any reason whether for public or private funds carries an element of bad debt i.e., debt which is uncollectible. The impact of not writing off debts that are irrecoverable can result in the following:
- Inflated and inaccurate levels of bad debt provision in the Councils budget
 - Inflated and inaccurate levels of arrears

The CIPFA Code of Practice confirms that debts should be written off at the point they are judged to be uncollectible, and so to carry high levels of debt to be written off does not accord with good accountancy practices.

- 2.8 The reasons for bad debt relate solely to the circumstances of the debtor and / or the law states the debt cannot be recovered.
- 2.9 It can often take considerable time and resource to determine that the debt is uncollectible after numerous recovery attempts have taken place. Writing off Council Tax debt is subject to strict audit processes, which are evidenced on the Council's Capita systems. Every council

will write off sums which are irrecoverable by law. The reasons for uncollectible debts are many, and in the main Council Tax uncollectible debts fall into the following categories, categorised by frequency:

- debt relief order
- individual voluntary arrangement (IVA)
- bankruptcy
- deceased and no estate
- absconded and
- uneconomic to collect.

- 2.10 Very few cases are written off due to the charge payer having absconded as both internal and external tracing methods are used. Whenever an absconder's whereabouts become known after a debt has been written off, there is a clear process to 'write back' the debt and continue recovery of the debt. Enforcement agents have been tasked with tracing absconders from 2018 onwards.
- 2.11 There are currently 104,975 live accounts on the Council Tax database as at 13 September 2023. However, there are many thousands of ceased accounts where a person's liability has ended. The vast majority of debts requiring write off cover multiple years and are closed/ceased accounts i.e., there is no ongoing Council Tax liability because the person has moved, no longer lives in Tameside or has died, or in a small number of cases absconded without trace.
- 2.12 The total amount of Council Tax irrecoverable debt from 2000/1 to 2016/17 is detailed in Table 2 below.

Table 2: Council Tax Irrecoverable Debt Number of Accounts and Value		
Number of accounts	Council Tax 2000/1 to 2016/17 £m	Irrecoverable Debt due to:
31,079	8,742,820	<ul style="list-style-type: none"> • debt relief order • individual voluntary arrangement (IVA) • bankruptcy • deceased and no estate • absconded and • uneconomic to collect.

- 2.13 Given that some of the debt is over 20 years old and deemed irrecoverable, it is correct to write these debts off and direct scarce resources to work on the recovery of collectible debt.

3. BUSINESS RATES

- 3.1 Like Council Tax, most Business Rates bills are sent out at in March each year and bills are also sent out throughout the year as changes occur. For recovery and the law, please refer to the Council Tax section.
- 3.2 The Business Rates collectible debit reduced significantly in 2020/21 due to the continual award of reliefs set by the government, some reliefs were then extended into 2021/22 and 2022/23.
- 3.3 The bar charts in Appendix One detail the monies collected in respect of previous years Business Rates arrears and shows a typical arrears collection picture that money continues to be collected and that arrears balances reduce over time. This demonstrates that money is still being recovered from 2005/6 in respect of Business Rates.

- 3.4 Writing off uncollectible debt at the point that the deemed is judged to be uncollectible is recognised as good accountancy practise in accordance with the CIPFA Code of Practice. However, it can often take some considerable time to determine that the debt is uncollectible after numerous recovery attempts have taken place with both limited and non-limited businesses.
- 3.5 The reasons for uncollectible debts requiring writing off the system are many, and in the main Business Rates debts relate to dissolved companies, company voluntary arrangement (CVA) and bankruptcies, companies in administration, companies awaiting striking off the Companies House register, deceased and absconders. Processing systems do not hold a reason code for each irrecoverable debt. This means it is not possible to determine how many historic debts relate to deaths or absconded for example without interrogating each individual account. However, there is an evidence trail for each account where the debt is to be written off.
- 3.6 Enforcement agents have been tasked with tracing absconders from 2018 onwards. It must be borne in mind that where an absconder is traced then debt is written back onto the system and recovery of the debt recommences. Should any information come to light at a later date after a debt is written off, and which changes the status of the debt and deems it to be recoverable, then the process to write the debt back onto the system is straight forward and enables recovery of the monies owed to continue.
- 3.7 There are currently 7,834 live accounts on the Business Rates database as at 13 September 2023. However, there are many thousands of ceased accounts where a person's or a company liability has ended. One property address can have multiple accounts for example previous businesses in the property, however the vast majority of debts requiring write off cover multiple years when the business was active.
- 3.8 Tab 3 below details Business Rates Irrecoverable Debts from 2006/7 to 2016/17.

Table 3: Business Rates Irrecoverable Debt Number of Accounts and Value		
Number of accounts	Business Rates 2006/7 to 2016/17 £m	Irrecoverable Debt due to:
192	0.381	<ul style="list-style-type: none"> • dissolved companies • company voluntary arrangement (CVA) • bankruptcies • deceased • absconded.

- 3.12 As some of these debts are now seventeen years old it is the right action to take to write these off as irrecoverable, and write off any debt at the point it is deemed irrecoverable in accordance with CIPFA Code of Practice and direct resource to the recovery of debts which have some prospect of being recovered. Like Council Tax should any information come to light at a later date after a debt is written off, and which changes the status of the debt and deems it to be recoverable, then the process to write the debt back onto the system is straight forward and enables recovery of the monies owed to continue.

4 SUNDRY DEBTS

- 4.1 In terms of Sundry Debts, the Council sets fees, and charges in respect of goods and services provided, and invoices are then raised throughout the year to collect monies due. The number of invoices raised and value each year, including recovery is detailed in Appendix One. In the last financial year 35,820 invoices were raised to the value of £502m. There are 106

different debt types and typical debt types, in order of volume of invoices raised, are as follows:

- Adults - social care fees / community alarms
- Estates - Market rents / commercial rents / ground rents/ hire charges / allotments /pest control charges / planning fees / licensing fees
- National Anti Fraud Network (NAFN)
- Engineers - trade waste / skips

- 4.2 The Debt Recovery Policy, details the recovery processes used: [Debt-Recovery-Policy.pdf \(tameside.gov.uk\)](#), and data detailed in Appendix One puts into context the number of accounts and amount of money to be collected.
- 4.3 Collection has increased significantly, in absolute terms, over recent years with
- Over £492.90m collected in Sundry Debts since 2016/17 (excluding adults social care debts and housing benefit overpayments) with an average of 98.32% cumulative collection.
- 4.4 As Sundry Debt invoices are raised throughout the year some monies outstanding will have only been invoiced in the last few months, so not necessarily in arrears. As with all debt types, recovery of monies takes place until the debt is paid in full or it cannot be collected by law due to an event taking place instigated by the debtor for example, bankruptcy, debt relief order, insolvency etc.
- 4.5 Unlike Council Tax and Business Rates the recovery of Sundry Debts is not contained in one specific piece of legislation. Specific legislation does exist in relation to the recovery of certain debt types only. For example, a land charge can take years to recover, which is usually at the point of house sale providing the Council is aware of the sale to ensure the solicitors are aware. Ground rents are equally difficult to recover, as they are often such low value that it is, in many cases, uneconomic to raise an invoice annually.
- 4.6 Each local authority generally determines the fees and charges applied to goods and services they provide. Fees and charges for goods and services in Tameside are set following approval of the Executive Cabinet Fees and Charges report and engrossed in the budget setting documentation at Full Council, prior to the commencement of each financial year.
- 4.7 As fees and charges are set locally no data comparisons exist across local authorities with which to compare.
- 4.8 Depending on debt type, regular invoices can be raised throughout the year for a pre-determined frequency for the same person for the same service, for example the invoice is raised throughout the year with commercial rents. In the case of a planning fee or licence, for example the invoice will be a one-off. Some invoices are also raised at the start of the financial year for the entire year for example community alarms, and trade waste.
- 4.9 Payment instalments also differ according to debt type with some being invoiced in arrears, to be paid immediately, some invoiced in advance to be paid by instalments throughout the year, and some are one-off invoices for immediate payment, however payment combinations and invoice raising can be any combination of these.
- 4.10 The most cost-effective process for providing goods and services is for services to request invoices be raised and paid in full before service is provided. This was introduced in April 2020 following the decision of the Executive Cabinet in December 2019 and has proved effective as the Sundry Debt Service challenge service areas that request an invoice to be raised where the debtor still owes money to the Council.

- 4.11 However, it is acknowledged that the above practice cannot be adopted for all debt types raised due to legal constraints. For example, where the Council provides services to another organisation under contract, as contract provision must continue regardless as to whether previous invoices are paid in full.
- 4.12 The recovery of monies relating to Sundry Debts and which includes Adults social care debts for care and support provided, and Housing Benefit overpayments are detailed in the corporate debt recovery policy [Debt-Recovery-Policy.pdf \(tameside.gov.uk\)](http://tameside.gov.uk/Debt-Recovery-Policy.pdf), and data detailed in Appendix One puts into context the number of accounts and amount of money to be collected.
- 4.13 The reasons for bad debt relate to the circumstances of the individual debtor or company and the processing systems do not hold a reason code for each irrecoverable debt, however, there is an evidence trail for each account where the debt is to be written off.
- 4.14 The total Sundry Debt irrecoverable debts by type are detailed in Table 4 below.

Number of accounts	Sundry Debt by type	Years to which debts relate	Debt value £m	Irrecoverable Debt Reason
501	General accounts	1999/2000 to 2016/17	0.364	<ul style="list-style-type: none"> • dissolved companies • company voluntary arrangement (CVA) • bankruptcies • deceased • absconded.
420	Adults social care	2006/7 to 2016/17	0.452	
2,324	Housing Benefit overpayments	2009/10 to 2016/17	0.965	

- 4.15 The oldest irrecoverable Sundry Debts are now more than twenty years old. It is the correct action to take to write these debts off as irrecoverable and focus scarce resource on the recovery of debts which have some prospect of being collected.

5 PROPOSED PROCESS

- 5.1 After reviewing historic debt across the Council it is clear that resources are best directed to collectible debts to ensure that bad debt provision and financial statements are current, and that a new process to write-off debt is required moving forward to ensure that debts at the point of them being deemed to be irrecoverable, are written off in compliance with CIPFA guidelines.

It is therefore proposed to write off the following:

Debt Class	Write Offs Proposed (£m)
Council Tax	8.742
Business Rates	0.382
Sundry Debt	1.781
Total	10.905

- 5.2 **Current Process:** The review of historic debt also highlights that the current process requires revision. The current process is that a recovery report is compiled for every debt which requires a write off, which is then subject to agreed write off levels as determined by Risk Management and Audit Service, and subsequent manager authorisation before the debt can be written off the system. Higher value debts over £5,000 are authorised by the Exchequer

Assistant Director, Section 151 Officer and the First Deputy (Finance, Transformation & Resources). The process of drafting a recovery report applies to all debts.

- 5.3 The drafting of an individual report on every case for write off is very resource intensive and not always the priority in a demand-led service. The current process has meant that the Council Tax debts requiring writing off the system are not addressed in a timely manner as not all write-offs are actioned in the year that the bad debt arises due to the volume of accounts. This has been raised as a significant issue in the 2022 Council Tax Internal Audit report. As there are considerably fewer accounts in relation to Business Rates and Sundry Debts the issue of not being able to action in year is reduced i.e., Council Tax live accounts 104,975, Business Rates 7,834 live accounts, Sundry Debtors 14,356 live accounts as at 13 September 2023.
- 5.4 In response to the 2022 Council Tax Audit report there was agreement with the Section 151 Officer that historic uncollectible debts need to be written off the system. It was accepted that Exchequer collect in excess of targets set in the tax base each year, as detailed in Table 1 of this report, and writing off historic debt will also assist in data cleansing the Capita system for the significant number of ceased accounts that require write-off. Further detail on underlying debt classes can be found in Appendix Four.
- 5.5 **Proposed Process Moving Forward:** The current financial regulations do not specify the method by which debts are written off, however the drafting of individual reports for all cases is not common practice in other Greater Manchester local authorities other than for high value cases. The Section 151 Officer and Head of Assurance have agreed that a new automated process is required, subject to Elected Member approval, to:
- Write off all debts under £5,000 which cannot be recovered either because the law prevents collection or where the debt is deemed to be irrecoverable, up to the last 6 years 2017/18, (upon receipt of Section 151 Officer and First Deputy approval) automatically.
 - Write off debts under £5,000 on a quarterly basis that are 6 years old, and where no payment has been received in the last 90 days (upon receipt of Section 151 Officer and First Deputy approval) automatically.
 - All uncollectible debts over £5,000 are to be reported to Executive Cabinet on a quarterly basis for approval to be written off as part of the financial monitoring process in a single appendix to the report on the budget position.
 - Amend Section 28 of the Financial Regulations following approval of the proposed change in processes for debt write off.
 -
- 5.6 The Capita and Agresso processing systems produce reports of all debts written off by debt type, financial year, and value. The reports can be run at any time and checked against each account for Audit purposes and any evidence collated such as Debt Relief Orders and Individual Voluntary Arrangement will also be detailed on the document imaging system. The automatic writing off for all uncollectible debts up to the last 6 years (2017/18), and throughout the year as accounts are identified, accords with good accountancy practice, and enables the bad debt provision moving forward to be current. The same levels of authorisation will remain in place. Where a debt is identified throughout the financial year as being irrecoverable the appropriate level of authorisation will continue to be required.

6 RISKS

- 6.1 The key risk in not collecting any debt due to the Council in a timely manner is the impact on the Councils overall budget. Not writing off bad debt is also a risk on the Councils budget position as the collection of money for any reason carries an element of bad debt i.e., debt which is uncollectible. The impact of not writing off debts that are irrecoverable can result in inflated and inaccurate levels of bad debt provision in the Council's budget and an inflated and inaccurate level of arrears. It is therefore important that debts, which are irrecoverable,

be written off subject to audit guidelines and in accordance with the Councils Financial Regulations and CIPFA Code of Practice.

- 6.2 All recovery action is undertaken within the shortest timescales possible and aged debt reports in respect of sundry debts arrears are available for Resource Management to discuss with service budget holders. Arrears continue to be collected many years after the debt was raised and are recovered against until the debt is paid in full, unless the circumstances warrant the debt to be written off in accordance with the law, or where the debtor has died with no monies in their estate, or the debtor absconded without trace. Enforcement action is used as a last resort however is necessary in terms of recovering monies owed.
- 6.3 Additional risks arise from the number of closed accounts that are held on the system for longer than is necessary and writing off bad debt cases will assist with data retention processes by ensuring that data is held only where necessary for the billing, administration, and recovery of monies.

7 CONCLUSION

- 7.1 The correct accounting practice is to write off debts at the point they are deemed irrecoverable in accordance with CIPFA Code of Practice. The debts as detailed in this report are more than 6 years old with no prospect of recovery and the appropriate action to take is to write off such debts. It is good financial practice to write off such debts and focus resource collectible debts.
- 7.2 Legislative recovery methods are followed for the recovery of Council Tax, Business Rates and Sundry Debts and further mechanisms are in place to prompt payments. The Councils Debt Recovery Policy sets out the recovery methods which are taken, according to debt type, to recover monies owed to the Council. Through every stage of the recovery process, regardless of debt type, consideration continues to be given to the debtor's circumstances and appropriateness of recovery methods used.
- 7.3 Arrears continue to be collected for many years after the payment is due and which requires Council resource, the Court process and enforcement action. Debts continue to be collected from 2000/01, however, the costs of pursuing and recovering outstanding debt can be high and there will always be a balance to be struck to ensure that the cost of recovery does not exceed the value of the monies being recovered. Some debts cannot be recovered according to circumstances, as the law does not permit recovery in such cases as detailed in Appendix Two and Three.
- 7.4 Given the volume of income transactions due to the Council, it is inevitable that some debt cannot be collected for a variety of reasons and a level of write off is expected across all types of debt. In accordance with recommended accounting practice, the Council maintains a provision for write-offs in respect of council tax, business rates and sundry debt invoices. Evidence is held within the financial systems and document imaging systems of all debts written off.
- 7.5 The current process of an individual report for appropriate authorisation for every irrecoverable debt is resource intensive and not conducive to good accountancy practice as the CIPFA Code of Practice confirms that debts should be written off at the point they are judged to be uncollectible. A new process is proposed which is agreed upon with the Section 151 Officer which dispenses with the drafting of individual reports., Section 28 of the Financial Regulations will be amended to reflect the method and frequency by which bad debt will be written off.

8 RECOMMENDATIONS

- 8.1 As set out at the front of the report.

APPENDIX 1

BILLING, COLLECTION AND RECOVERY DATA FOR COUNCIL TAX, BUSINESS RATES AND SUNDRY DEBTS

Council Tax

Table 1: Council Tax as at March 2023	
Council Tax bills issued	102,158
Council Tax net collectible debit (net of exemptions, discounts, and Council Tax Support awards)	£136.688m
Total Council Tax Support (CTS) claimants	17,051 (of which 7,148 are pensionable age)
Value of Council Tax Support awarded	£15.474m (plus £0.301m Discretionary monies from central government)

Table 2: Council Tax cash collected by year			
Financial Year	Council Tax Cash collected £m	% collected in year	% collected as at 01 September 2023
2016/17	89.932	93.69%	97.34%
2017/18	94.724	93.40%	96.92%
2018/19	100.931	93.41%	96.59%
2019/20	107.537	93.52%	96.12%
2020/21	111.307	93.95%	96.27%
2021/22	117.718	94.03%	95.55%
2022/23	122.299	93.66%	95.02%
Total collected in last 7 years	744.448	Average 93.67% collected in year	Average of cumulative collection rate over last 7 years 96.26%

Table 3: Value of Single Person Discount Exercises by Year	
Year	Increase to Council Tax Base £m
2013/14	0.300
2015/16	0.630
2019/20	0.641
2020/21	0.549
2023/24	0.700

Table 4: Council Tax Reminders issued and value per year		
Financial Year	Number of Reminders issued	Value of Reminders issued
2019/20	39,849	£ 7,748,442
2020/21	32,685	£ 7,847,815
2021/22	39,308	£ 7,283,010
2022/23	32,652	£ 8,400,726
2023/24 as at 01 September 2023	21,273	£ 4,792,291

Table 5: Number of Council Tax summons issued by year and value		
Financial Year	Number of Summons issued	Value of Summons issued
2019/20	23,864	£16,401,945
2020/21	9,638	£6,952,371
2021/22	12,763*	£11,104,126
2022/23	14,351*	£12,693,990
2023/24 as at 01 September 2023	7,529	£3,589,890

*Note: Some summons issued at the end of the financial year and the Liability Order was obtained at the beginning of the next financial year.

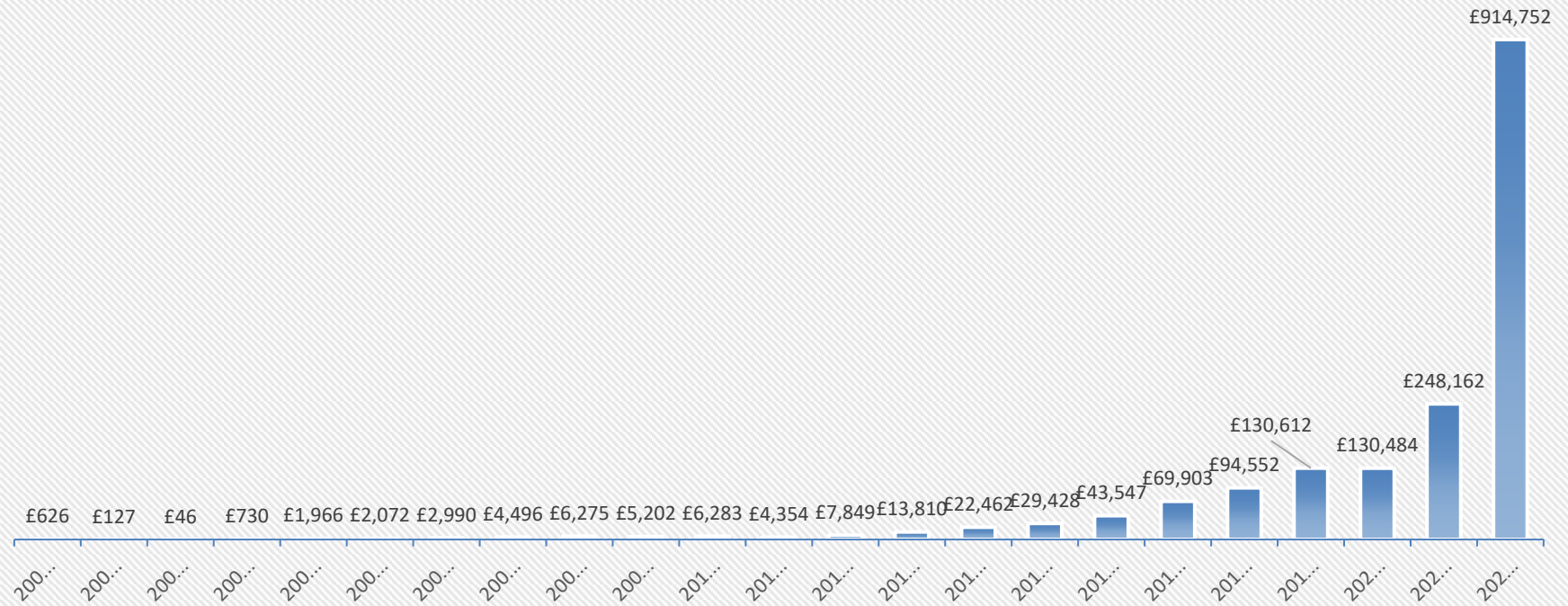
Table 6: Number of Council Tax Liability Orders Granted*		
Financial Year	Number of Liability Orders granted	Value of Liability Orders granted
2019/20	15,344	£10,889,716
2020/21	8,082	£7,721,271
2021/22	13,043**	£10,654,252
2022/23	14,594**	£12,101,274
2023/24 as at 01 September 2023	9,669	£9,203,328

* Note: The granting of a Liability Order for Council Tax enables the Council to recover the debt in other ways such as by attaching the debt to earnings or benefits to be deducted at source, or as a last resort to refer the debt to an enforcement agent for collection.

** Note: Some Liability Orders were issued at the start of the financial year although summonsed in the previous financial year.

Table 7: Number of referrals to Enforcement Agents Council Tax		
Financial Year	Number of debts referred to Enforcement Agent	Value of debts referred to Enforcement Agent
2019/20	14,412	£10,198,287
2020/21	7,502	£6,857,663
2021/22	9,288	£8,511,589
2022/23	9,641	£7,666,378
2023/24 as at 12 September 2023	4,469	£2,570,582

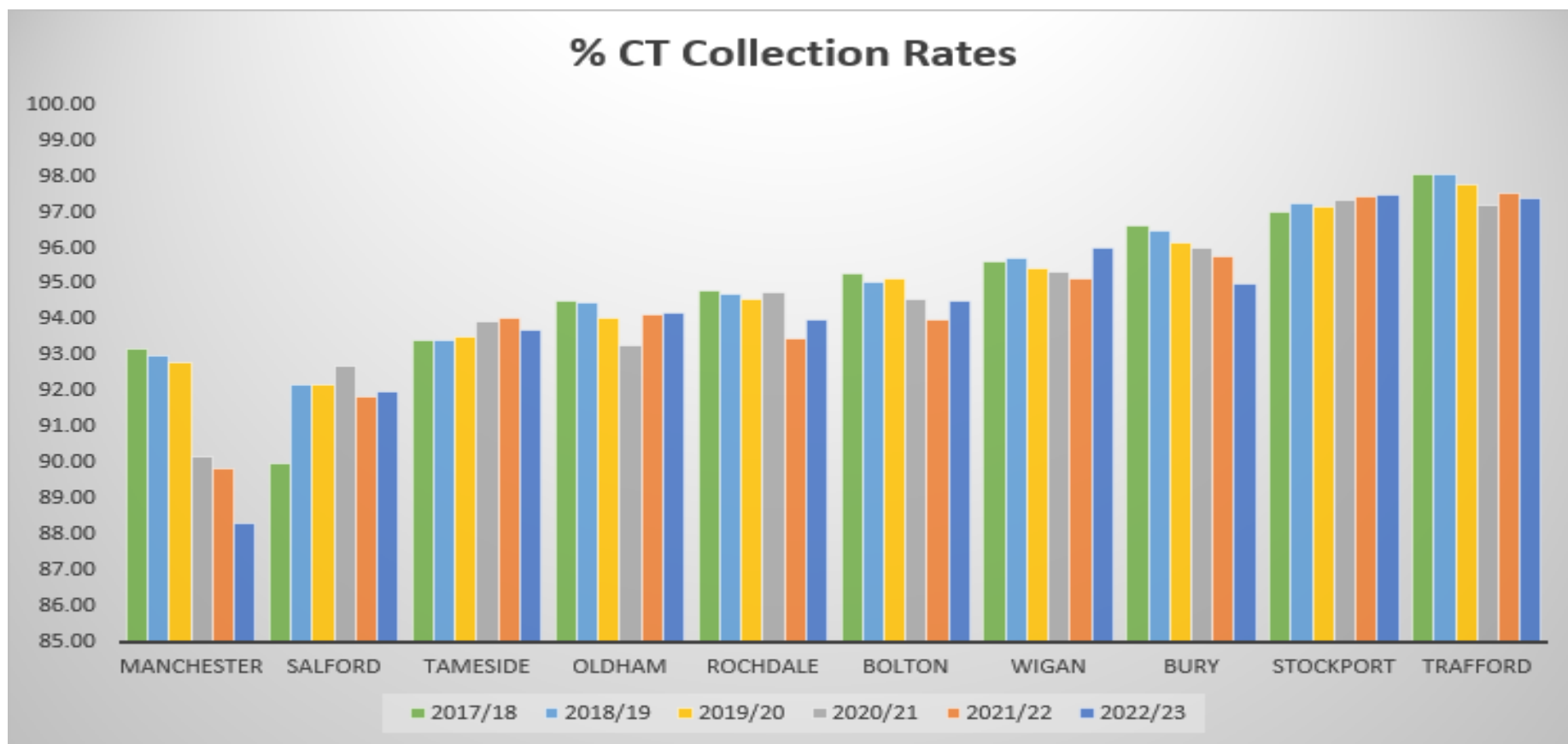
Council Tax 2023/24 Collection Against Arrears



The bar chart above details the monies collected in the current financial year in respect of previous years' arrears as at 11 September 2023. This demonstrates that money is still be collected from 2000/1 in respect of Council Tax.

The bar chart below details percentage of in-year collection for Council Tax compared to other Greater Manchester local authorities. This means that Council Tax is collected in the year that the Council Tax was due. It must be borne in mind that deprivation indices are a significant factor in the collecting of Council Tax and that more affluent areas, both locally and nationally, have better in-year collection rates.

The bar chart does not however detail the percentage of Council Tax collected as arrears for a particular year and in Tameside the Council has never been at risk of non-collection, because monies collected in arrears for a particular year exceed budget figure requirements as detailed in Table 1 in the main body of this report.



Business Rates

Table 8: Business Rates Bills as at March 2023	
Business Rates bills sent out	7,778
Value of Business Rates bills	£54.106m

Table 9: Business Rates cash collected by year			
Financial Year	Cash collected	% collected in year	% collected as at 01 September 2023
2016/17	£60.477m	96.42%	98.35%
2017/18	£57.569m	96.68%	98.64%
2018/19	£57.320m	96.83%	98.46%
2019/20	£56.786m	97.01%	98.22%
2020/21	£29.672m	94.79%	97.60%
2021/22	£48.092m	96.44%	97.73%
2022/23	£53.163m	95.29%	95.77%*
Total collected in last 7 years	£363.079m	Average 96.21 % collected in year	Average of cumulative collection rate over last 7 years 97.82%

* Note: The % collected increases over time as arrears are collected.

Table 10: Business Rates Reminders issued and value per year		
Year	No of Reminders	Value of Reminders
2019/20	1,884	£2,901,600
2020/21	2,197	£2,999,160
2021/22	2,850	£3,488,732
2022/23	2,558	£3,467,966
2023/24 as at 01 September 2023	2,175	£2,631,484

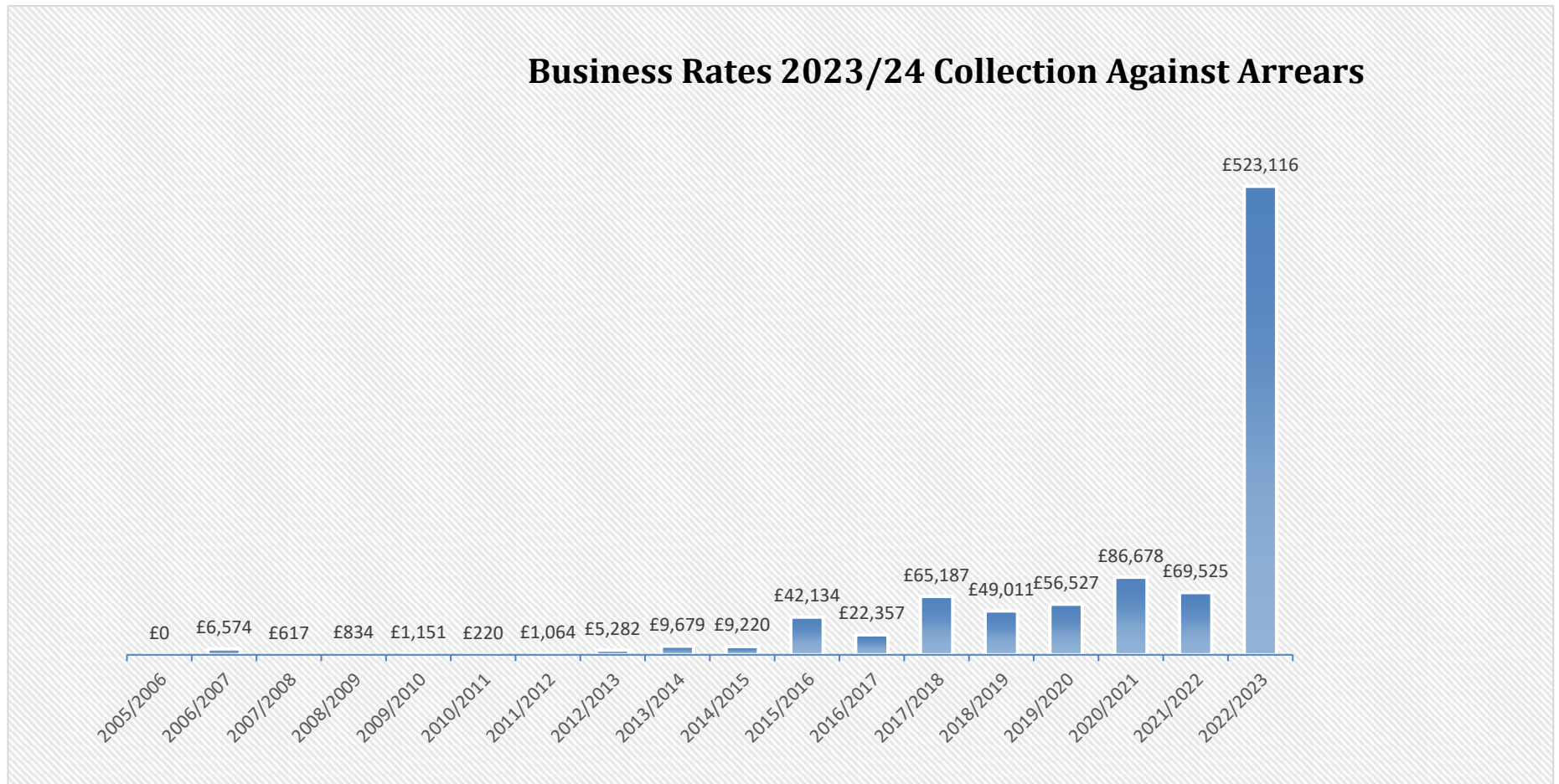
Table 11: Business Rates Summons issued by year		
Year	No of Summons	Value of Summons
2019/20	773	£4,492,492
2020/21	379	£1,986,138
2021/22	928	£6,005,864
2022/23	1,002	£4,818,269
2023/24 as at 01 September 2023	774	£3,217,106

Table 12: Number of Business Rates Liability Orders Granted*		
Year	No of Liability Orders	Value
2019/20	469	£2,438,171
2020/21	201	£1,071,518
2021/22	554	£2,873,796
2022/23	539	£2,352,994
2023/24 as at 01 September 2023	554	£2,144,551

* Note: The granting of a Liability Order for Business Rates enables the Council to pursue the debt in other ways such as by referral to enforcement agent. The attachment of the debt to benefits or to earnings is not permissible where the debt relates to Business Rates.

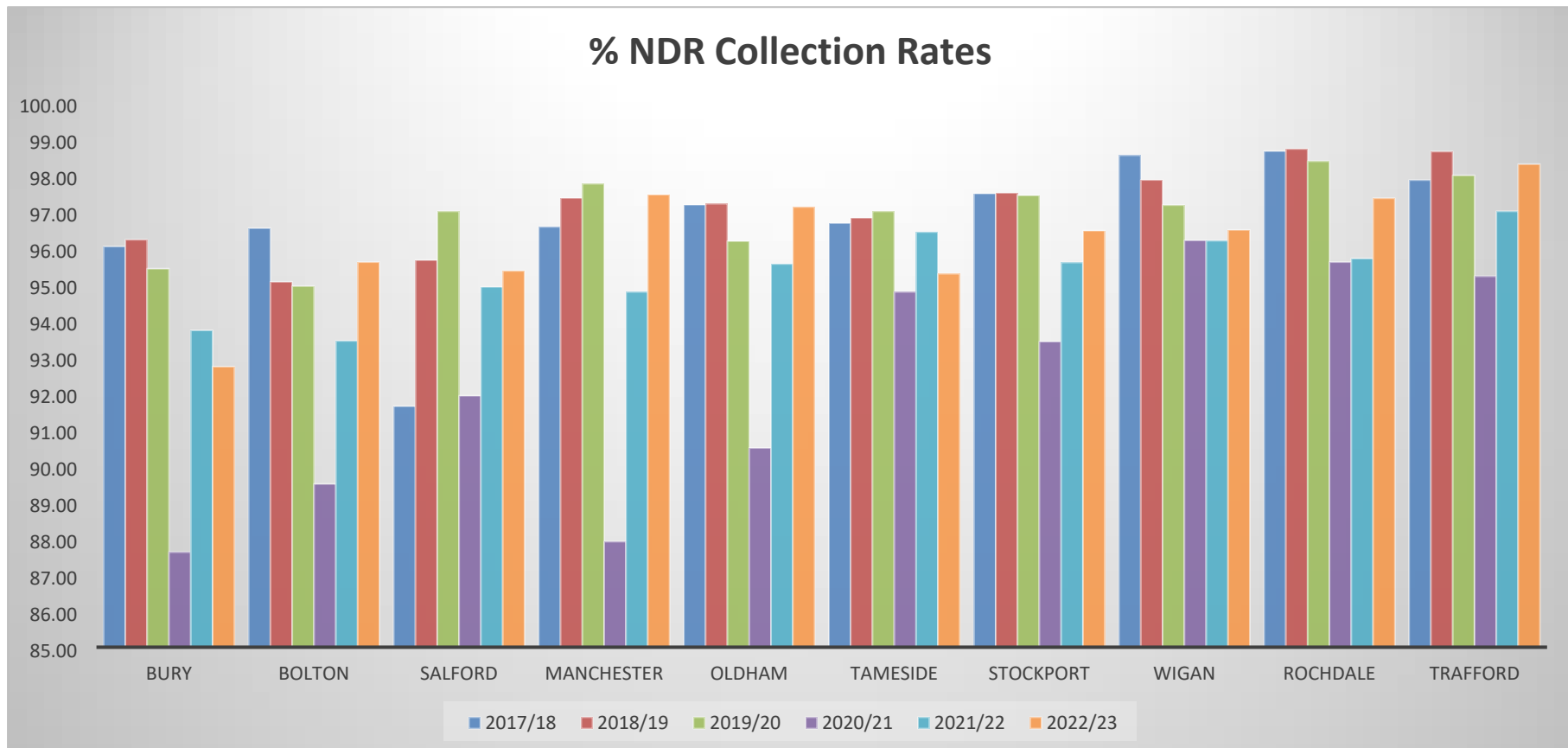
Table 13: Number of referrals to Enforcement Agents (Business Rates)		
Financial Year	Number of debts referred to Enforcement Agents	Value of debts referred to Enforcement Agents
2019/20	702	£2,783,306
2020/21	69	£209,392
2021/22	347	£1,792,685
2022/23	294	£1,369,911
2023/24 as at 12 September 2023	407	£1,643,816.74

Business Rates 2023/24 Collection Against Arrears



The bar chart above details the monies collected in the current financial year in respect of previous years' arrears as at 11 September 2023. This demonstrates that money is still be collected from 2005/6 in respect of Business Rates.

The bar chart below the percentage collection of Business Rates in the year that the Business Rates were due. The number of businesses and size of business is a factor in collecting rates and multi-national companies and high street stores are generally better in terms of prompt payment when compared to sole traders or small and medium enterprises. The chart below does not detail comparative information on the collection of arrears as this information is not available, however the bar chart above demonstrates that Business Rates continue to be collected from 2005/6.



Sundry Debts:

Financial Year	No of invoices raised	Value of invoices
2016-17	41,404	£43.943m
2017-18	38,335	£47.960m
2018-19	38,023	£69.071m
2019-20	37,383	£75.977m
2020-21	31,217	£90.640m
2021-22	33,520	£92.453m
2022-23	35,820	£81.985m
Total issued in last 7 years	255,702	£502.027m

Financial Year	Collected	% collected as at 12 September 2023
2016/17	£43,732,484.91	99.52%
2017/18	£47,292,022.62	98.61%
2018/19	£68,455,442.28	99.11%
2019/20	£75,095,528.29	98.84%
2020/21	£89,647,150.33	98.91%
2021/22	£90,474,362.32	97.86%
2022/23	£78,211,315.88	95.40%*
Total collected in last 7 years	£492,908,306.63	Average cumulative collection rate of 98.32%

*Recovery is generally considered exhausted at the end of a 6-year period where no monies paid. Therefore, the amount collected in respect of 2022/23 is estimated to increase in the next 4 years.

Financial Year	First Reminder	Final Reminder
2019-20	6,469	3,803
2020-21	4,588	2,756
2021-22	4,368	2,479
2022/23	7,421	5,121
2023/24 as at 31 August 2023	1,550	1098

Table 17: Number of referrals to Enforcement Agents (Sundry Debts)		
Financial Year	Number of debts referred to Enforcement Agent	Value of debts referred to Enforcement Agent
2018/19	236	£96,026.29
2019/20	716	£481,400.04
2020/21	576	£254,643.66
2021/22	428	£743,762.95
2022/23	1189	£1,459,569.12
2023/24 As at 31 August 2023)	288	£560,123.95

BACKGROUND INFORMATION

1. Bill Reductions:

Council Tax: Outstanding balances in respect of Council Tax can, in specific circumstances, be reduced where an applicable statutory discount, or exemption, are awarded providing eligibility is met. Exemptions and discounts are detailed on the Council's website as follows: [Council Tax – Discounts and Exemptions \(tameside.gov.uk\)](http://tameside.gov.uk)

The Council Tax Support (CTS) scheme is a means tested benefit funded from Council budget and supports the most financially vulnerable residents. Being assessed as eligible to receive CTS is dependent on income, capital, assets and savings, household composition and Council Tax band. All working age claimants, including those receiving the maximum welfare benefits from the Department of Work and Pensions (DWP) must pay at least 25% of their Council Tax due if they are in receipt of CTS which is capped at property Band A. The effect of being in receipt of CTS is that there is a reduced amount of Council Tax payable.

Business Rates: Accounts can, subject to eligibility criteria, receive a number of reliefs as determined by central government, all of which have the effect of reducing the amount payable. The reliefs currently available are as follows:

- Transitional Relief
- Small business rates relief
- Retail discount
- Nursery Relief
- Public Toilet relief
- Relief for Local Newspapers
- Discretionary relief
- Charitable relief

There is a Business Rates local discretionary relief available to charities, non-profit organisations and Community Amateur Sports Clubs (CASC's), subject to application and eligibility as determined by Executive Cabinet and detailed on the Council's website: [Guidance Notes for Rate Relief Form \(tameside.gov.uk\)](http://tameside.gov.uk). Many business ratepayers seek to reduce rateable values by using rating agents who act on their behalf in appealing to the Valuation Office Agency (VOA). The VOA notifies the Council of the outcome of an appeal. The two largest assessments in Tameside are IKEA and Asda, both in Ashton. Like the majority of multi-national businesses, their premises are subject to continual appeal often resulting in a reduction in rateable value and a lower amount of rates payable. The outcome of appeals of this nature cannot be predicted.

Sundry Debts: There are no reductions available in respect of Sundry Debtor accounts as there are 106 different debt types and typical debt types are as follows:

- | | |
|-------------------------------|------------------------|
| • Adults social care services | • Pest control charges |
| • Trade waste | • Licensing fees |
| • Allotments | • Planning fees |
| • Community alarms | • Market rents |
| • Commercial Rents | • Ground rents |
| • Hire charges | |

2. Payments:

A range of methods of payments are available, including Direct Debit, on-line or telephone payments by credit or debit card, standing order, BACS payments, cash at Post Offices and Payzone outlets. Direct Debit is the preferred method of payment due to the low transaction costs. Many charge payers do pay regularly and on time, however some do not, and this is where the most resource is required.

Direct Debit is encouraged, and cash payers are targeted by direct debit campaigns (a letter going out with the bill or recovery document) to take this up as this is the cheapest method of collecting money.

3. Help and Support:

The service is keen to encourage payment at every opportunity and frequently signpost customers experiencing financial difficulties and other problems to appropriate agencies. The majority of monies owed are recovered in the year that the debt is raised; however, it is inevitable that some individuals, businesses and organisations do not pay on time and are subject to recovery action in accordance with legislation appropriate to the debt type.

Help and support is available direct from Exchequer Services and Customer Services offer face-to-face support on customer queries predominantly regarding Benefits and Council Tax recovery. Help and support is also available from Welfare Rights colleagues. The majority of contacts from customers are made directly with Exchequer by phone, email or webchat. Phone and webchat contact is detailed as follows:

Table 1: Telephone and webchat contact 2022/23	
Web Chat	Calls
12,175	148,025

Welfare Rights also support customers with benefit queries and those in arrears with Council Tax, Business Rates, or a sundry debt, or where there is an overpayment to be recovered. Problem debt cases are referred to Welfare Rights by Exchequer where financial advice and support is required. A budgeting support leaflet is also sent with recovery documents to assist residents who may have difficulty in paying, by signposting to relevant advice agencies.

4. Avoidance:

A number of common avoidance tactics are used by individuals and frequently by businesses, none of which are unique to Tameside. Rate avoidance affects the whole country. The Government have consulted on this matter twice and the last time in July 2019 from the Local Government Association. So far, there has been no change to any legislation to prevent avoidance practices, however a further consultation from DLUHC is planned this year. A typical avoidance tactic is where companies open, trade for a period, and then cease to operate for a very short period and 'dissolve' the company then open up again often under the same name as before, however the company will have been dissolved and so by law any arrears they may owe has to be written off. Such companies may change the company name with Companies House, yet the trading name will remain the same. Unfortunately, this is not an illegal process. Companies House position is clear their role is for the registration of company business, incorporation and dissolution of limited companies and will not enter any communication regarding recovery of any monies or conduct relating to monies owing.

Other common avoidance scams are for landlords of business premises to create a fictitious tenant or shell company. While lease agreements are requested at the point of registration to determine liability for payment, this is not sufficient deterrent to the most unscrupulous landlords or property owners.

Equally with both Council Tax and sundry debt recovery there is an element of deliberate avoidance, and it is common that there are several people who attempt to gain a reduced Council Tax bill by claiming that they live alone yet live with another adult and make a claim for Single Person Discount (SPD). A number of successful Single Person Discount review exercises have been undertaken in recent years to determine those that may have claimed falsely or those where an SPD is no longer due i.e., where a child becomes an adult in the same household for example. Such exercises see the removal of the discount from the account and the full Council Tax falls due. The latest exercise completed in June 20223 resulted in an increase of £0.700m to the Council Tax base.

5. Recovery:

The process is that for all debts recovery documents are issued on a weekly / monthly cycle. The actual processes of recovery are detailed in the Council's Debt Recovery Policy and the additional recovery processes introduced to support residents paying monies owed as follows:

- Reminder contact by text
- Consideration of ability to pay
- Encouragement to pay by direct debit
- Encouragement to sign up to self service
- In-house welfare team (Arrears Support Team) for difficult cases
- Support and signposting
- Budgeting Advice Leaflet

The work involved in pursuing monies owed is considerable and reflects that in the last year over a third of all residents received a Council Tax Reminder notice. The tables in Appendix One highlight the volume of recovery documents that are sent out each year.

Where Council Tax or Business Rates remain unpaid in accordance with the bill issued and arrears are not brought up to date a summons may be issued, and which incurs an additional £86.00 summons cost for Council Tax and £129.00 for Business Rates. Appendix One details the number and value of summons and Liability Orders issued by year. Both Council Tax and Business Rates matters are heard in Magistrates Courts.

The Magistrates usually grant a Liability Order for non-payment and this in effect gives authority to recover monies in alternative ways such as by attaching the debt to a person's benefit or earnings; however, the latter cannot be undertaken for Business Rates. The DWP may also attach any debts that they are recovering to a person's benefit, and this takes priority. Some cases have numerous debts attached to their benefit and which take many years to clear and, the standard deduction rate of £3.70 a week has not changed for many years resulting in people starting each financial year in arrears.

The debt, post Liability Order, may also be referred to an enforcement agent for collection. While this is a last resort, such measures are necessary in the recovery of unpaid monies owed. The tables below detail information on referrals to Enforcement Agents for Council Tax and Business rates debts.

Enforcement agent fees and the amount of deductions under an attachment of benefit or earnings are set in legislation. Current enforcement agent fees and attachment deductions are detailed in the Debt Recovery Policy [Debt-Recovery-Policy.pdf \(tameside.gov.uk\)](#). The conduct of enforcement agents is set in legislation and each enforcement agent must be certified by Magistrates to enable them to work for the local authority. Strict codes of conduct are in place for enforcement agents employed under a Greater Manchester framework agreement, which is in addition to our local code of conduct to be adhered to by every enforcement agent engaged.

Sundry debt reminders issued vary from day 10 to day 20 depending on debt type, and Final Notices from day 20 to day 45. A decision on further recovery varies from day 30 to day 55. In addition to the above, there are seven different recovery routes for the following types of debt:

- Community Alarm
- Companies
- Deceased
- Small Balances
- Markets
- Social Services
- Trade Waste

Recovery action data relating to sundry debts is detailed in Appendix One.

6. Legally Unenforceable Debts:

The following section highlights debts where recovery is not legally enforceable:

Council Tax legally unenforceable debts:

- Debt Relief Order - Charge payer seeks via application from Official Receiver
- Bankruptcy Order - Charge payer made bankrupt
- Individual Voluntary Arrangement (IVA) – Charge payer sets up an arrangement with the insolvency practitioner
- Statute Barred- where part of debt or all of debt has never been subject to a Liability Order being granted and must be written off as the debt is over 6 years old, however reminder notices may have been issued.

Business Rates legally unenforceable debts:

- Company dissolved – company is liquidated which in some cases can take several years to be finalised
- Company voluntary arrangement (CVA) – debtor seeks application from insolvency practitioner
- Debt Relief Order - Charge payer seeks via application from Official Receiver
- Bankruptcy Order - Charge payer made bankrupt
- Individual Voluntary Arrangement (IVA) – Charge payer sets up with insolvency practitioner
- Statute Barred- where part of debt or all of debt has never been subject to a Liability Order being granted and must be written off as the debt is over 6 years old, however reminder notices may have been issued.

Sundry Debts legally unenforceable debts:

- Debt Relief Order - Charge payer seeks via application from Official Receiver
- Bankruptcy Order - Charge payer made bankrupt
- Individual Voluntary Arrangement (IVA) – Charge payer sets up an arrangement with the insolvency practitioner
- Statute Barred- where part of debt or all of debt has never been in recovery must be written off as the debt is over 6 years old. (All recovery processes are automated)
- Company dissolved – company is liquidated which in some cases can take several years to be finalised
- Company voluntary arrangement (CVA) – debtor seeks application from insolvency practitioner

IRRECOVERABLE DEBTS BY LAW FURTHER INFORMATION

Individual Voluntary Arrangement (IVA)

Any arrears and any liability for an individual who has received a bill for the financial year in which a person is subject to an IVA must be written off and cannot be legally recovered. Confirmation of the IVA being granted is required as evidence from insolvency practitioners or from customers direct. Copy bills are sent to insolvency practitioners to confirm the debts owed to the Council.

Debt Relief Order (DRO)

This pertains to individuals and affects the arrears accrued only up to the point of the Debt Relief Order being granted. We receive notice from either the customer or from insolvency practitioners and legally the debts accrued up to the DRO being granted cannot be recovered.

Bankruptcy

Any arrears and any liability for an individual, who has received a bill for the financial year in which a person is made bankrupt, must be written off and cannot be legally recovered. Confirmation of the bankruptcy order being granted is required as evidence from insolvency practitioners or from customers direct. Copy bills are sent to insolvency practitioners to confirm the debts owed to the Council.

Company Voluntary Arrangement (CVA)

Any arrears and any liability for a company which has received a bill for the financial year in which the company is subject to the CVA must be written off and cannot be legally recovered. Confirmation of the CVA being granted is required as evidence from insolvency practitioners. Copy bills are sent to insolvency practitioners to confirm the debts owed however dividends from insolvency practitioners are rarely received. Where dividends are received then balance of the debt is reduced accordingly.

Dissolved

Companies go through the process of liquidation in order to dissolve the company and assets are often sold prior to the company being dissolved. The process can take years to conclude during which time the Council has to continue to try to recover accruing arrears. Extensive searches are undertaken where a company ceases trading and prior to official notice of the date of dissolve being made publicly available on Companies House website.

Statute barred

This term relates to not being able to recover any debt which is more than 6 years old and has not had any recovery action taken to recover that debt within the 6-year period. The exception is where a Liability Order granted in a Magistrates Court or County Court Judgement has been granted within the 6-year period, in which case the debt can continue to be recovered. Debts accrued prior to the Care Act 2014 relating to Adults Social Care Debts have a statute barred limit of 3 years.

Additional irrecoverable debts

Deaths

Where a person dies leaving debts we are notified by either the next of kin or the Registrars Service. Enquiries are made to identify the Executors and payment is requested via sending of copy bills/invoices. Written confirmation and evidence by way of funeral bills and copies of closing bank and building society statements are required in order to determine that there are insufficient monies in the estate to pay any monies owed. Wherever there is doubt or no information is provided by the Executor we contact the Probate Office to determine if there are any monies in the deceased estate. Where no estate exists or the estate has been used to pay funeral expenses with nothing left then the debt should be considered to be written off as there is no prospect of recovering the monies owed.

Gone Away

Tracing procedures commence on any individual who we become aware of that has left a property without providing a forwarding address and where money is owed. Quite often information is available to identify the individuals' new address whether by notice from solicitors, landlords, letting agents, and using existing internal systems. However, where these prove futile, extensive searches then are invoked and also credit reference agencies such as Experian via the National Anti-Fraud (NAFN) in addition to Companies House for businesses. Enforcement Agents also provide a cost-free tracing service where the debtor has arrears which warrant enforcement action. Such searches are not an exhaustive list, and all searches are resource intensive. Searches yield the best results where the debtors date of birth and national insurance number are known, however not all debtors' details are known to this extent. Wherever debt is written off processing systems, and a person is subsequently traced at a later date, then the debt can be written back onto the system.

IRRECOVERABLE DEBT BY TYPE

Table 1: COUNCIL TAX							
Total debts under £1,000, over £1,000 and total number of irrecoverable debts by financial year as at 11 September 2023							
Financial year	No of debts	Value of debt	No of debts <£1,000	Value of debts <£1,000	No of debts >£1,000	Value of debts >£1,000	Value of irrecoverable debt
2000/01	3	£495.75	3	£495.75	0	£0.00	£387.13
2001/02	6	£2,117.62	6	£2,117.62	0	£0.00	£1,258.89
2002/03	11	£4,094.08	11	£4,094.08	0	£0.00	£2,446.41
2003/04	15	£5,630.23	15	£5,630.23	0	£0.00	£1,648.26
2004/05	26	£7,766.15	26	£7,766.15	0	£0.00	£2,328.67
2005/06	39	£10,127.35	39	£10,127.35	0	£0.00	£2,876.95
2006/07	433	£136,410.93	430	£133,315.16	3	£3,095.77	£122,067.08
2007/08	536	£165,882.96	530	£159,245.22	6	£6,637.74	£148,225.94
2008/09	729	£239,116.83	715	£222,754.71	14	£16,362.12	£211,426.87
2009/10	924	£300,393.60	897	£267,300.55	27	£33,093.05	£267,826.92
2010/11	1,142	£375,468.34	1,115	£344,625.30	27	£30,843.04	£327,799.81
2011/12	1,355	£463,912.63	1,327	£431,707.37	28	£32,205.26	£403,460.05
2012/13	1,743	£576,602.37	1,706	£533,010.06	37	£43,592.31	£506,404.97
2013/14	3,508	£1,064,956.08	3,403	£937,800.49	105	£127,155.59	£952,490.66
2014/15	4,154	£1,338,001.29	4,027	£1,189,069.87	127	£148,931.42	£1,175,500.70
2015/16	4,802	£1,669,467.49	4,581	£1,418,592.04	221	£250,875.45	£1,363,557.35
2016/17	5,381	£2,100,274.71	5,063	£1,723,863.59	318	£376,411.12	£1,555,595.26
2017/18	6,272	£2,623,108.53	5,753	£1,993,118.48	519	£629,990.05	£1,697,518.10
Totals	31,079	£11,083,826.94	29,647	£9,384,634.02	1,432	£1,699,192.92	£8,742,820.02

In terms of analysis of the Council Tax debts the following points should be noted:

- Of the £11.08m total debt over 6 years old, £8.74m is deemed to be irrecoverable by law or where recovery is exhausted. The remaining £2.34m is currently at an active recovery stage and/or payment is being made. However, some, but not all, of these may ultimately be deemed irrecoverable at a future point in time.
- Many debts are below £1,000 and the average debt per account where there is a balance of less than £1,000 is £316.
- The average debt per account over £1,000 is £1,186.
- There are 31,079 debts which can span several years for one account i.e., where a debtor has more than one year's arrears.
- In 2013/14 the number of Council Tax accounts with a debt to be written off almost doubles when compared to 2012/13. The Council Tax Support scheme was introduced in 2013/14 where Council Tax Support claimants had to pay a percentage of their Council Tax liability and the Adult Social Care precept introduced in 2016/17. From 2000/1 to 2017/18 Council Tax has increased and a Band D Council Tax has increased by £535.14.
- The amount of bad debt to be considered for write off is less than 1% of all Council Tax collected over the same period.

Evidence is held within the financial systems and document imaging systems for all debts written off. Where information comes to light after a debt is written off that deems the debt to be recoverable again then the debt is written back onto systems and recovery continues.

Table 2: BUSINESS RATES**Total debts under £1,000, over £1,000 and total irrecoverable debts by financial year as at 11 September 2023**

Financial year	No of debts	Value of debt	No of debts <£1k	Value of debts <£1k	No of debts >£1k	Value of debts >£1k	Value of Irrecoverable debt
2005/06	1	£810.60	1	£810.60	0	£0.00	£810.60
2006/07	1	£837.40	1	£837.40	0	£0.00	£837.40
2007/08	9	£8,482.73	6	£3,163.48	3	£5,319.25	£8,482.73
2008/09	12	£22,103.77	7	£2,693.47	5	£19,410.30	£22,103.77
2009/10	8	£14,759.04	5	£2,608.08	3	£12,150.96	£14,759.04
2010/11	4	£12,892.91	0	£0.00	4	£12,892.91	£12,892.91
2011/12	8	£17,633.62	4	£2,380.34	4	£15,253.28	£17,633.62
2012/13	13	£20,224.45	5	£1,624.34	8	£18,600.11	£20,224.45
2013/14	18	£32,118.73	7	£2,468.68	11	£29,650.05	£32,118.73
2014/15	17	£40,184.28	8	£3,214.63	9	£36,969.65	£40,184.28
2015/16	24	£40,767.34	11	£3,685.07	13	£37,082.27	£40,767.34
2016/17	28	£74,423.49	11	£5,309.60	17	£69,113.89	£74,423.49
2017/18	49	£96,371.69	26	£12,021.36	23	£84,350.33	£96,371.69
Totals	192	£381,610.05	92	£40,817.05	100	£340,793.00	£381,610.05

Table 3: SUNDRY DEBTS**Total Sundry debts over £1,000, over £1,000 and total number of irrecoverable debts by financial year as at 31 August 2023**

Financial year	No of invoices	Value of debt	No of debts <£1,000	Value of debts <£1,000	No of debts >£1,000	Value of debts >£1,000	Value of irrecoverable debt
1999/00	15	£52,905.05	0	£0.00	15	£52,905.05	£52,905.05
2000/01	0	£0.00	0	£0.00	0	£0.00	£0.00
2001/02	3	£639.44	3	£639.44	0	£0.00	£639.44
2002/03	7	£30,977.91	5	£333.97	2	£30,643.94	£30,977.91
2003/04	0	£0.00	0	£0.00	0	£0.00	£0.00
2004/05	3	£1,325.47	3	£1,325.47	0	£0.00	£1,325.47
2005/06	7	£4,519.42	6	£1,205.92	1	£3,313.50	£4,519.42
2006/07	10	£767.37	10	£767.37	0	£0.00	£767.37
2007/08	16	£2,052.00	16	£2,052.00	0	£0.00	£2,052.00
2008/09	19	£2,340.88	18	£1,240.00	1	£1,100.88	£2,340.88
2009/10	28	£26,452.88	24	£3,648.62	4	£22,804.26	£26,452.88
2010/11	11	£4,911.06	10	£649.77	1	£4,261.29	£4,911.06
2011/12	10	£107.43	10	£107.43	0	£0.00	£107.43
2012/13	23	£547.91	23	£547.91	0	£0.00	£547.91
2013/14	40	£13,910.51	37	£1,591.35	3	£12,319.16	£13,910.51
2014/15	45	£3,448.65	45	£3,448.65	0	£0.00	£3,448.65
2015/16	53	£10,599.42	48	£3,984.72	5	£6,614.70	£10,599.42
2016/17	106	£39,873.71	93	£6,223.12	13	£33,650.59	£39,873.71
2017/18	105	£169,257.96	91	£11,457.49	14	£157,800.47	£169,257.96
Totals	501	£364,637.07	442	£39,223.23	59	£325,413.84	£364,637.07

Table 4: ADULT SOCIAL CARE DEBTS**Total Adults debts over £1,000 and number of irrecoverable debts under £1,000 by financial year as at 31 August 2023**

Financial year	No of invoice	Value of invoices	No of invoices <£1,000	Value of invoices <£1,000	No of invoices >£1,000	Value of invoices >£1,000	Value of irrecoverable debt
2006/07	1	£21,660.00	0	£0.00	1	£21,660.00	£21,660.00
2007/08	0	£0.00	0	£0.00	0	£0.00	£0.00
2008/09	0	£0.00	0	£0.00	0	£0.00	£0.00
2009/10	0	£0.00	0	£0.00	0	£0.00	£0.00
2010/11	5	£14,195.81	0	£0.00	5	£14,195.81	£14,195.81
2011/12	20	£32,455.81	6	£2,995.65	14	£29,460.16	£32,455.81
2012/13	21	£49,179.07	9	£3,740.46	12	£45,438.61	£49,179.07
2013/14	13	£12,024.14	9	£4,349.79	4	£7,674.35	£12,024.14
2014/15	19	£9,419.82	18	£7,698.22	1	£1,721.60	£9,419.82
2015/16	36	£25,610.11	34	£9,927.06	2	£15,683.05	£25,610.11
2016/17	75	£103,706.66	64	£23,863.31	11	£79,843.35	£103,706.66
2017/18	230	£183,932.27	190	£65,493.33	40	£118,438.94	£183,932.27
Totals	420	£452,183.69	330	£118,067.82	90	£334,115.87	£452,183.69

Table 5: HOUSING BENEFIT OVERPAYMENTS**Total Housing Benefit overpayment debts over £1,000, over £1,000 and total number of irrecoverable debts by financial year as at 31 August 2023**

Financial year	No of debts	Value of debt	No of debts <£1,000	Value of debts <£1,000	No of debts >£1,000	Value of debts >£1,000	Value of irrecoverable debt
2009/10	66	£215,456.62	23	£9,506.28	43	£205,950.34	£67,938.15
2010/11	40	£72,140.13	19	£5,707.09	21	£66,433.04	£28,593.21
2011/12	114	£222,459.75	69	£27,083.58	45	£195,376.17	£101,909.07
2012/13	166	£394,446.15	97	£34,376.24	69	£360,069.91	£78,646.19
2013/14	206	£363,660.65	127	£46,370.66	79	£317,289.99	£108,205.89
2014/15	450	£757,973.83	272	£96,503.06	178	£661,470.77	£181,733.49
2015/16	485	£744,273.89	291	£87,858.28	194	£656,415.61	£197,980.69
2016/17	311	£362,009.67	214	£70,451.31	97	£291,558.36	£72,313.13
2017/18	486	£510,886.29	373	£129,149.46	113	£381,736.83	£127,646.39
Totals	2,324	£3,643,306.98	1,485	£507,005.96	839	£3,136,301.02	£964,966.21