

**POLICY AND RESOURCES SCRUTINY COMMITTEE -  
31ST JULY 2012**

**SUBJECT: WRITE OFF DEBTS – 2011**

**REPORT BY: DEPUTY CHIEF EXECUTIVE**

**1. PURPOSE OF REPORT**

- 1.1 To advise Members of the monies due to the Council which it has not been possible to collect. These have been written off in accordance with the Policy, as agreed by Cabinet. This report covers the period from 1<sup>st</sup> April 2011 – 31<sup>st</sup> March 2012.

**2. LINKS TO STRATEGY**

- 2.1 The Council's budget is partly funded by Council Tax, Rents and other sources of income. In order to ensure the resources are available to meet all the Council's objectives the Authority will always seek to maximise income collection.

**3. FINANCIAL IMPLICATIONS**

- 3.1 The Council collects very large sums of money from residents and local businesses. In excess of £155m is collected each year and inevitably there are instances of non-payment. A 'firm but fair' approach has always been adopted and all legal means are pursued to recover monies owed.
- 3.2 The regular writing-off of uncollectable debts is an important financial discipline. The Council would be criticised by External Audit if debts remained in the accounts when there is little likelihood of recovery. During the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 the following debts were written off:

|                                     | <b>£<br/>Amounts<br/>Written Off</b> | <b>Total<br/>Budgeted<br/>Income/Grant<br/>11/12<br/>£</b> | <b>% of Total<br/>Income/Grant<br/>written off<br/>11/12<br/>(full year)</b> | <b>% of Total<br/>Income/Grant<br/>written off<br/>10/11<br/>(full year)</b> |
|-------------------------------------|--------------------------------------|--|--|--|
| Council Tax                         | 271,163                              | 56.1m  | 0.48   | 0.5  |
| Business Rates                      | 590,326                              | 37.1m  | 1.59   | 1.1  |
| Council House<br>Rents              | 221,524                              | 45m  | 0.49   | 0.43   |
| Sundry Debts                        | 147,000                              | 21.4m  | 0.7  | 1.1  |
| Overpayments of<br>Housing Benefits | 110,564                              | 71.5m  | 0.15   | 0.1  |

3.3 Whilst the sums shown above are significant it is important to put them into context. In the table above, the column entitled "% of Total Income/Grant 11/12" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant", i.e. monies due to the Council.

#### **4. PERSONNEL IMPLICATIONS**

4.1 There are none.

#### **5. EQUALITIES IMPLICATIONS**

5.1 This report is for information only, therefore no Equality Impact Assessment has been undertaken.

#### **6. RECOMMENDATIONS**

6.1 This report is for Members information.

#### **7. STATUTORY POWER**

7.1 Local Government Act 1972 and 2000.

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