



**POLICY AND RESOURCES SCRUTINY COMMITTEE –  
1ST OCTOBER 2013**

**SUBJECT: WRITE-OFF OF DEBTS**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151  
OFFICER**

**1. PURPOSE OF REPORT**

1.1 To provide Members with a summary of outstanding debts which have been written-off in accordance with the policy previously agreed by Cabinet.

**2. SUMMARY**

2.1 The report provides details of debts written-off during the 2012/13 financial year.

**3. LINKS TO STRATEGY**

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

**4. THE REPORT**

4.1 The Council collects very large sums of money from residents and local businesses 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.

4.2 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 2012/13 financial year the following debts were written off: -

	Total Amounts Written Off 2012/13 (£)	Total Budgeted Income/Grant 2012/13 (£m)	% of Total Income/Grant Written-off 2012/13 (%)	% of Total Income/Grant Written-off 2011/12 (%)
Council Tax	292,893	56.2	0.52	0.48
Business Rates	502,305	36.7	1.37	1.59
Council House Rents	224,916	47.0	0.48	0.49
Sundry Debtors	289,679	26.4	1.10	0.70

4.3 Whilst the sums shown above are significant it is important to put them into context. The column entitled "% of Total Income/Grant Written-off 2012/13" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant", i.e. monies due to the Council. For comparison purposes the percentages for 2011/12 are also included in the table. The increase in Sundry Debtors written-off from 0.70% in 2011/12 to 1.10% in 2012/13 is due to 2 large write-offs totaling £84k which have been reported separately to Cabinet.

4.4 In addition to the totals in the table in paragraph 4.2, £90,966 was also written-off during 2012/13 in relation to invoices raised for overpayments of Housing Benefits (total invoices raised during the year £1,325,285).

## **5. EQUALITIES IMPLICATIONS**

5.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

## **6. FINANCIAL IMPLICATIONS**

6.1 As detailed in the report.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no direct personnel implications arising from this report.

## **8. CONSULTATIONS**

8.1 There are no consultation responses that have not been reflected in this report.

## **9. RECOMMENDATIONS**

9.1 Members are asked to note the contents of this report.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 To ensure that Members are informed of sums written-off during the 2012/13 financial year.

## **11. STATUTORY POWER**

11.1 Local Government Act 1972 and 2000.

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