



POLICY AND RESOURCES SCRUTINY COMMITTEE – FOR INFORMATION

SUBJECT: WRITE-OFF OF DEBTS – 01/04/19 – 30/09/19

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Members with a summary of outstanding debts which have been written-off during the first six months of the 2019/20 financial year.

2. SUMMARY

- 2.1 The report provides details of debts written-off for Council Tax, Business Rates, Council House Rents, Sundry Debtors and Housing Benefits overpayments.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the contents of this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are informed of the sums written-off during the first six months of the 2019/20 financial year.

5. THE REPORT

- 5.1 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.
- 5.2 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. The table below provides a summary of debts written-off for the period 01/04/19 to 30/09/19.

	Total Amounts Written Off In Period	Total Budgeted Income/Grant 2019/20	% of Total Income/Grant Written-off In Period	% of Total Income/Grant Written-off 2018/19 (Full Year)
	(£m)	(£m)	(%)	(%)
Council Tax	0.088	75.2	0.12	0.25
Business Rates	0.158	39.9	0.40	0.85
Council House Rents	0.215	56.0	0.38	0.50
Sundry Debtors	0.147	31.3	0.47	0.52

5.3 Whilst the sums shown above are significant it is important to put them into context. The column entitled "% of Total Income/Grant Written-off in period" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant 2019/20", i.e. monies due to the Council. For comparison purposes the full-year percentages for 2018/19 are also included in the table.

5.4 In addition to the table in paragraph 5.2, £10,197.53 has also been written-off in the period 01.04.19 to 30.09.19 in relation to the invoices raised for overpayments of Housing Benefits (total invoices raised during the period £466,530.86).

6. ASSUMPTIONS

6.1 There are no assumptions associated with this report.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 To comply with Financial Regulations.

7.2 The writing-off of unrecoverable debts is an important element of prudent financial management. Effective financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management is a key element in ensuring that the Well-being Goals in the Well-being of Future Generations Act (Wales) 2015 are met. The process of writing-off unrecoverable debts ensures that financial liabilities are recognised as they occur and are not deferred as potential future liabilities.

9. EQUALITIES IMPLICATIONS

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

10. FINANCIAL IMPLICATIONS

10.1 As detailed in the report.

11. PERSONNEL IMPLICATIONS

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

12. CONSULTATIONS

12.1 All consultation responses are reflected in the report

13. STATUTORY POWER

13.1 Local Government Act 1972 and 2000.

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Consultees: Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance & Governance
Cllr J Pritchard, Chair Policy & Resources Scrutiny Committee
Cllr G Kirby, Vice-Chair Policy & Resources Scrutiny Committee
Richard Edmunds, Corporate Director for Education & Corporate Services
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