

**Chiltern District Council
Resources Overview Committee 6 October 2015**

SUBJECT:	<i>Quarter Two 2015/16 Write Offs</i>
REPORT OF:	<i>Jim Burness, Director of Resources</i>
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WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

At its meeting of 19 March 2015 Chiltern District Council Audit Committee agreed changes to the financial procedure rules in respect of write offs. The Committee also requested that a quarterly report on volumes and amounts of write offs be reported to Resources Overview Committee. This report relates to quarter two 2015/16.

2. RECOMMENDATION

1. Resources Overview Committee note and comment on the quarter two write offs.

3. Discussion

- 3.1 During the second quarter there have been a total of 55 amounts written off totalling £82,890.43. These are further broken down as follows:

Type of Debt	Numbers	Total
Sundry Debts	4	£2,030.61
HB/CT/CTS Overpayments	13	£12,983.27
Council Tax	35	£8,249.97
Business Rates	3	£59,626.58

Sundry Debts

- 3.2 The breakdown of the sundry debts write offs is included as Appendix 1 . There are 4 write offs and two of them relate to one debtor.

Housing Benefits, Council Tax Benefit and Council Tax Support Overpayments

- 3.3 The overpayments written off as irrecoverable are included in Appendix 2. If an overpayment is classified as an official error i.e. an error made by the local

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authority, DWP or HMRC and the customer cannot be expected to know that they were being overpaid we are unable to seek recovery and these overpayments are classified as irrecoverable. Twelve of the overpayments written off are in this category.

- 3.4 It should be noted that the Council receives 100% subsidy from central government in respect of these overpayments where the total amount written off does not exceed 0.48% of total expenditure (approximately £90,000).

Council Tax

- 3.5 Appendix 3 shows the individual write offs in respect of Council Tax in quarter two. 17 of the 35 debts written off relate to small balance write offs. Small balances sometimes remain on closed accounts or arise because of rounding issues relating to benefit awards. As these are low amounts ranging from 1p they are uneconomical for the Council to pursue further and so are written off.

- 3.10 13 of the remaining write offs are written off as the debtor has absconded and all efforts to trace them by the Council and by our enforcement agents have failed.

- 3.11 Three of the debts are unable to be recovered as the debtor has been given a debt relief order or bankruptcy and the two remaining debts relate to system errors.

Business Rates

- 3.12 Three business rates debts were written off in the second quarter, shown in Appendix 4. Two of these, were authorised by Cabinet in accordance with the financial regulations as they amount to £59,622.51. One related to a charity which had absconded and the other to a dissolved company. The remaining write off relates to a small balance.

4 Corporate Implications

- 4.1 Financial – There is a financial impact on the Council where debts are not recovered, however provision is made in the accounts to accommodate the writing off of bad debts.

5 Links to Council Policy Objectives

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5.1 This report links to the following objective:

- Delivering cost- effective, customer- focused services

6 Next Step

6.1 Members are asked to note the write offs for the second quarter. Another report will be presented to the Committee following the end of quarter three.

Background Papers:	None
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