

**Chiltern District Council  
Resources Overview Committee 23 March 2016**

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<b>SUBJECT:</b>	<i>Quarter Three 2015/16 Write Offs</i>
<b>REPORT OF:</b>	<i>Jim Burness, Director of Resources</i>
<b>RESPONSIBLE OFFICER</b>	<i>Nicola Ellis, Head of Customer Services</i>
<b>REPORT AUTHOR</b>	<i>Nicola Ellis - nellis@chiltern.gov.uk</i>
<b>WARD/S AFFECTED</b>	<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 three 2015/16.

**2. RECOMMENDATION**

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

**3. Discussion**

- 3.1 During the second quarter there have been a total of 103 amounts written off totalling £35,148.50. These are further broken down as follows:

<b>Type of Debt</b>	<b>Numbers</b>	<b>Total</b>
Sundry Debts	3	£1,924.98
HB/CT/CTS Overpayments	20	£12,724.21
Council Tax	76	£17,595.08
Business Rates	4	£2,904.23

**Sundry Debts**

- 3.2 The breakdown of the sundry debts write offs is included as Appendix 1. There are three write offs.

**Housing Benefits, Council Tax Benefit and Council Tax Support Overpayments**

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- 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 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. All 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 three. There have been 76 amounts written off. 46 of those relate to debit balances and 30 to credits.
- 3.6 38 of the 76 write offs relate to small balance write offs. Small credit or debit 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.
- 3.7 22 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. Four of the debts are unable to be recovered as the debtor has been given a debt relief order or bankruptcy. Two debts have been written off as the payer has died and there are not enough funds in the estate to pay the bill. Two debts have been written off because of an incorrect calculation of Council Tax Support and the remaining eight write offs are credit write offs where the Valuation Office has retrospectively decreased the banding on a property and we are unable to trace the payer at that time.

**Business Rates**

- 3.8 Four business rates debts were written off in the third quarter, shown in Appendix 4. Two of these were in relation to a small debit and a small credit. One was due to insolvency and the other where a director has absconded and there are no company assets remaining.

**3 Corporate Implications**

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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.

**4 Links to Council Policy Objectives**

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 third quarter. Another report will be presented to the Committee following the end of quarter four.

<b>Background Papers:</b>	None
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