

**Chiltern District Council
Resources Overview Committee 21 June 2016**

SUBJECT:	<i>Quarter Four 2015/16 Write Offs</i>
REPORT OF:	<i>Jim Burness, Director of Resources</i>
RESPONSIBLE OFFICER	<i>Nicola Ellis, Head of Customer Services</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 four 2015/16.

2. RECOMMENDATION

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

3. Discussion

- 3.1 During the fourth quarter there have been a total of 191 amounts written off (122 relate to PCNs over the whole year) totalling £75,971.05. These are further broken down as follows:

Type of Debt	Numbers	Total
Sundry Debts	4	£1036.54
HB/CT/CTS Overpayments	27	£13882.89
Council Tax	31	£21225.52
Business Rates	7	£31086.77
Penalty Charge Notices	122 (Q1-Q4)	£8739.68 (Q1-Q4)

- 3.2 The table below shows the totals for 2015/2016 broken down in to quarters as reported:

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Type of Debt	Numbers	Total
<u>Quarter One</u>		
Sundry Debts	33	£13,101.83
Council Tax	54	£1837.22
Business Rates	4	£10,344.14
<u>Quarter Two</u>		
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
<u>Quarter Three</u>		
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
<u>Quarter Four</u>		
Sundry Debts	4	£1036.54
HB/CT/CTS Overpayments	27	£13882.89
Council Tax	31	£21225.52
Business Rates	7	£31086.77

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Penalty Charge Notices	122 (Q1-Q4)	£8739.68 (Q1-Q4)
<u>ANNUAL TOTALS</u>		
Sundry Debts		
HB/CT/CTS Overpayments	60	£39590.37
Council Tax	196	£48907.79
Business Rates	17	£103961.72
Penalty Charge Notices	122	£8739.68

Sundry Debts

3.3 The breakdown of the sundry debts write offs is included as Appendix 1. There are 4 write offs totalling £1036.54.

Housing Benefits, Council Tax Benefit and Council Tax Support Overpayments

3.4 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. 26 of the 27 overpayments written off are in this category. The other is a small overpayment where we are unable to trace the customer.

3.5 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). The figure written off in 2015/2016 totalled £39,590.

Council Tax

3.6 Appendix 3 shows the individual write offs in respect of Council Tax in quarter four. There have been 31 amounts written off. 23 of those are where the debtor has absconded and all efforts to trace them have been unsuccessful.

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3.7 Three of the debts have been written off because the debtor has been made bankrupt to taken other action with regard to debts that prevents us being able to recover e.g. debt relief order. Another debt was written off as it was remitted by the court. One amount was written off as the debtor is deceased and there were no funds in the estate. Some small balance write offs were completed prior to annual billing amounting to £36.

3.8 Two amounts were written off as they were deemed unreasonable to recover. One related to an irrecoverable overpayment of Council Tax Support and the other was due to an overpayment of Council Tax Support where a customer had not declared child maintenance as she believed these were disregarded. Following investigation in to the complaints the customer made it was accepted that they had received some misleading information.

Business Rates

3.9 Seven business rates debts were written off in the fourth quarter, shown in Appendix 4. Six of these were due to the company going in to liquidation/administration or bankruptcy and the other was because the debtor had absconded.

Parking Penalty Charge Notices

3.10 During 2015/2016 there have been 122 penalty charge notices written off totalling £8739.68. These are shown in Appendix Five. These will be reported quarterly in 2016/2017.

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

5.1 This report links to the following objective:

- Delivering cost- effective, customer- focused services

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6 Next Step

6.1 Members are asked to note the write offs for the fourth quarter. Another report will be presented to the Committee following the end of quarter one of 2016/17.

Background Papers:	None
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