

SUBJECT:	Bad Debt Write-Offs		
REPORT OF:	Officer Management Team -	Director of Resources	
	Prepared by N Berry	-	Revenues and Benefits Client Manager

1. Purpose of Report

- 1.1 To seek authorisation for the write-off of a number of debts over £2,500 in accordance with the Council's Bad Debt Write-off Policy approved by Members in June 2011.

2. Links to Council Policy Objectives

- 2.1 Delivery of cost effective services, which meet customers and community needs
- 2.2 Working with partners to improve the provision of high quality services

3. Background

- 3.1 Members will be aware that South Bucks District Council has a proud record of very high levels of collection of all monies owed and for Council Tax and Business Rates collections have been in the top quartile of local authorities for a number of consecutive years.
- 3.2 When setting the Council Tax each year, estimates of final collection rates are used in the calculation, as even with the best recovery procedures and promptest action there are always a number of debts, which for one reason or another are uncollectable. For 2012/13 the collection rate is assumed to be 98.5%.

4. Debts for which authorisation is sought to write-off

- 4.1 Listed In part 2 of this agenda are a number of Council Tax debts, each over £2,500, which require member authorisation to be written off. The total amounts to £99,859.14 and relates to 24 cases.
- 4.2 A number of the debts are aggregated amounts equating to more than one years charge as often it can take a while to exhaust recovery options prior to confirming that the debtor has absconded.
- 4.3 Should further information come to light in any of the cases which could result in recovery of monies owed, the debt will be reinstated and the necessary recovery action taken.

6. Resource Implications

- 6.1 Council Tax - In line with good practice the Authority has already, in previous years, set aside funds to cover the write off of these Council Tax debts by establishing a provision for bad debts. This provision currently stands at approx £1.2 million. These write offs will therefore be funded from this provision and will not have any direct impact on the 2011/2012 budget.

In 2011/2012 the amount which the Council is due to collect in respect of Council Tax totals approximately £45.5 million. It is estimated that the ultimate collection will be 98.5% of the charge. Non collection will also arise from reasons other than taxpayers absconding such as the bankruptcy or death of a taxpayer. There are also occasionally cases where the debtor is traced abroad where the debt is unenforceable. A number of smaller debts are also written off each year as they are uneconomic to pursue.

The write-offs listed in Part 2 of this report cover various periods mainly within the last 5 years during which the total amount to be collected was in excess of £200 million. These write-offs therefore represent a very small percentage of the total due to the Council.

7. Summary

7.1 Authorisation is requested to write-off the debts listed in Part 2 of this agenda

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Background Papers:	Bad Debt Write-off Policy