

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 Business Rates and in year collection over the last few years has been in the region of between 98% and 99%. This is further enhanced with post March collections.
- 3.2 A target for in-year collection is set for Northgate each year and for 2012/2013 this is 98.25% and should this target not be reached penalties are payable.
- 3.3 Even with the best recovery processes there will always be a number of debts which are ultimately irrecoverable and an exercise has been completed to review many old debts where recovery action has now been exhausted or the debt is now deemed irrecoverable.

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

- 4.1 Listed In part 2 of this agenda are a number of Business Rates debts, each over £2,500, which require member authorisation to be written off. The total amounts to £352,085.01 and relates to 45 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 or the debt is deemed irrecoverable.
- 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.
- 4.4 As can be seen from the list provided in Part II of this report a high proportion of the debts (30%) relate to public houses. Whilst these premises are owned on the whole by breweries etc, the leaseholder is responsible for payment of the rates. Whilst attempts are made to trace the debtor through the freeholder it is unusual

that any information would be forthcoming as it is likely that there will also be debts owed to them.

6. Resource Implications

- 6.1 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 £963,000. These write offs will therefore be funded from this provision and will not have any direct impact on the 2012/2013 budget.

In 2012/2013 the amount which the Council is due to collect in respect of Business Rates totals approximately £30 million.

The write-offs listed in Part 2 of this report cover various periods over the past 10 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. Recommendation

- 7.1 The advice of the PAG is sought on whether the Portfolio Holder should recommend to the Cabinet that the bad debts listed in the report in Part 2 be written-off.

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Background Papers:	Bad Debt Write-off Policy