

SUBJECT:	Write Offs 2017/18
REPORT OF:	<i>Cllr Barbara Gibbs and Cllr Duncan Smith</i>
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WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

This report is to report on the final position for write offs for the full year 2017/2018.

RECOMMENDATION:

- Resources Policy Advisory Group are asked to note and comment on the write offs for 2017/18**

2. Content of Report

2.1 Members have requested that amounts written off are reported on an annual basis. This is the first report detailing amounts written off in the 2017/2018 financial year.

Type of Debt	Numbers (17/18)	Total (17/18)
Sundry Debts	86	£127,544.93
HB/CTS Overpayments	163	£117,411.40
Council Tax	1661	£445,421.56
Business Rates	65	£62,792.63
Penalty Charge Notices	15	£750
Total	2012	£753,920.52

Sundry Debts

2.2 Appendix One shows the sundry debts written off in 2017/18. There were 86 write offs totalling £127,544.93. The majority of these were bed and breakfast / temporary accommodation charges for homeless families (78 out of 86). Of the remainder four were stray dog fees, two building regulation fees, one fencing hire and one legal fees.

In 2017/18 extra effort was put into reviewing old B&B / temporary accommodation debts in line with the O&S Task and Finish Group recommendation that 'historic debt with a zero or very low probability of recovery (before the flat rate charge) be written off to start afresh with the new process'

Housing Benefits, Council Tax Benefits and Council Tax Support Overpayments

- 2.3 A full breakdown of the overpayments written off as irrecoverable are included in Appendix Two. This year there have been a total of 163 overpayments written off and this amounted to £117,411.40. This compares to 41 overpayments amounting to £39,952.48 in 16/17.
- 2.4 The increase in the level of write offs and the large number and amount is attributable to the South Bucks DC Arrears Recovery Project. At the time of Revenues Shared Service Review it was identified that the level of arrears of Council Tax, Business Rates and Housing Benefits Overpayments were an area where the new service could improve recovery. This action would bring increased income to South Bucks District Council, Buckinghamshire County Council, Thames Valley Police Authority and Buckinghamshire & Milton Keynes Fire Service. The project commenced in August 2016 and was planned to last for two years. To date the project has generated net income of approximately £140,000 for South Bucks DC and has exceeded the target by 41%. Whilst we do anticipate that additional income will be generated from the recovery of arrears the remit of the project was to reduce the arrears outstanding and in some circumstances the only option available to us is to write the debt off. This is likely to be a focus of the project team towards the end of the project to ensure that we embark on the fully shared service with manageable levels of arrears.
- 2.5 As the project is focused on arrears from previous years which date back a number of years, the amounts written off in this financial year are mainly due to the fact that they are old debts and so are past the time limit to enable us to take recovery action. There are also three debts that have been written off as the debtor is insolvent.

Council Tax

- 2.6 In 2017/18 there were 1661 amounts of Council Tax written off and this totalled £445,421.56.
- 2.7 A full breakdown of the Council Tax amounts written off is included as Appendix Three. The large number of write offs is due to the work being carried out on the recovery project to focus on previous years' arrears. The key categories and amounts of write offs are shown in the table below:

Category	Number	Amount
Out of time	188	£121,502.19
Gone Away	293	£166,387.24
Cost write offs	516	£42,611.44
Deceased	87	£51,377.49
Debtor insolvent	76	£45,161.29
Debtor abroad	42	£20,994.42
Uneconomical to recover	141	£6,325.02

- 2.8 The rest of the write offs are mainly small balances, disputes over liability and liability adjustments.

Business Rates

2.9 In 2017/2018 there were 65 amounts of Business Rates written off totalling £62,792.63. These are shown in Appendix Four.

2.10 The category where the largest amounts were written off were where companies had been dissolved or were in administration. There were 17 in these categories totalling £42,957.27.

2.11 Due to the phasing of the Recovery project it is likely that there will be significantly more Business Rates write offs in 2018/19.

Penalty Charge Notices

2.12 The table below shows the breakdown of Penalty Charge Notices that were written off on a quarterly basis for 2017/18:

PCNs 17/18	Number	Amount
Quarter One	2	£100
Quarter Two	2	£100
Quarter Three	1	£50
Quarter Four	10	£500
Total	15	£750

2.13 A full breakdown of these is included as Appendix Five.

3. Corporate Implications

3.1 Financial – There is a financial impact on the Council when 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

4.1 This links to the following objective:

- Delivering cost-effective, customer focused services

5 Next Step

5.1 Members are asked to note the write offs for the year 2017/18.

Background Papers:	N/A
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