

SUBJECT	Write offs 2018/2019
RELEVANT MEMBER	Cllr Gibbs
RESPONSIBLE OFFICER	Richard Charters, Revenues Operations Manager (Acting Head of Service)
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WARD/S AFFECTED	All

1. Purpose of Report

This report is to report on the final position for write offs for the full year 2018/2019.

RECOMMENDATIONS:

- Resources Policy Advisory Group are asked to note and comment on the write offs for 2018/2019.**

2. Content of Report

2.1 Members have requested that amounts written of are reported on an annual basis. This is the report detailing amounts written off in the 2018/2019 financial year.

2.2 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 the 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. The project generated considerable income to South Bucks District Council from the recovery of arrears, however the remit of the project was to reduce the arrears outstanding and in many circumstances the only option available to us is to write the debt off. This is has been one of the focuses of the project team to ensure that the service has manageable levels of arrears.

Type of Debt	Numbers 2017/2018	Amount	Numbers 2018/2019	Amount
Sundry Debts	86	£127,544.93	80	£61,598.75
HB/CTS overpayments	163	£117,411.40	494	£308,704.79
Council Tax	1661	£445,421.56	2490	£825,089.57
Business Rates	65	£62,792.63	445	£488,754.01
Penalty Charge Notices	15	£750.00	51	£3141
Total	2012	£753,920.52	3560	£1,687,288.12

Sundry Debts

2.3 There were 81 write offs totalling £61,598.75 written off in 2018/2019. The majority of these were bed and breakfast / temporary accommodation charges for homeless families.

The majority of these were where the debts were unable to pursue or recover due to the debtors lack of funds or no forwarding address was established. One debt of £1567.14 was written off by Cabinet

Housing Benefits, Council Tax Benefits and Council Tax Support Overpayments

2.4 This year there have been a total of 494 overpayments written off and this amounted to £308,704.79. This compares to 163 overpayments amounting to £117,411.40 in the 2018 financial year

2.5 The South Bucks Recovery project 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, uneconomical to pursue, insolvent, gone away no trace and deceased. The table below identifies the main reasons for write offs of these cases.

Reason for write off	Number 2018/2019	Amount
Outside of statutory limits	123	£93832.71
Uneconomical to pursue	39	£1200.63
Insolvent	33	£21345.13
Gone away	61	£39902.23
Deceased	74	£37213.44
Decision to write off	148	£113,981.19

Council Tax

2.6 In 2018/19 there were 2490 amounts of Council Tax written off and this totalled £825,089.57. It should be noted that a large number of this total were cases where the debts were written off spanning several years.

2.7 The large number of write offs are 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
Costs written off	947	£79551.54
Debtor insolvent	80	£56900.45
Uneconomical to recover	1193	£706,908.97
Credits written off	125	(£21901.10)

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

Business Rates

2.9 In 2018/2019 there were 445 amounts of Business Rates written off totalling £488,754.01. This amount is actually related to 195 companies or individuals due to the fact that the majority of the write offs spanned several years of charge periods.

2.10 It should be noted in this category two of the debts written off totalled £157,146.56 these were cases where car boot sale companies had a dramatic increase in their rateable values which meant the companies could not pay their rates and subsequently placed themselves in voluntary liquidations. Claims have been made to the Insolvency Service, but are unlikely to realise any dividend.

Penalty Charge Notices

2.11 The table below shows the breakdown of Penalty Charge Notices that were written off on a quarterly basis for 2018/19:

PCNs 17/18	Number	Amount £
Quarter One	7	350
Quarter Two	9	483
Quarter Three	10	665
Quarter Four	25	1643
Total	51	3141

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 effect, customer focused services

5 Next Step

5.1 Members are asked to note the write offs for the 2018/2019 financial year.

Background Papers:	None
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