

## Debt Write offs between 1 April 2022 and 31 March 2023

The Council has powers under various Acts of Parliament and Statutory Regulations to charge for the services it provides and for the collection of taxation monies i.e., Council Tax and National Non-Domestic Rates (NNDR) known as Business Rates.

The powers to waive the collection of properly determined and levied debts are contained within the Council's Constitution and supporting Financial Regulations that delegate the responsibility for writing-off all individual debts to the Director of Corporate Services, the Council's 'Responsible Financial Officer' under Section 151 of the Local Government Act 1972.

This report details the write-offs that have been authorised between 1 April 2022 and the 31 March 2023. If new information is received or if payment is made, debts previously written-off are resurrected and the credits applied to the account.

During the financial year 2022-23 the Council raised just under £157m in Council Tax and Business Rate bills and £17m in invoices. The total amount written off in respect of all debts raised including earlier financial years was £1.3m. This compares with £0.78m in 2021-22.

The Council is prudent in managing bad debts and, in accordance with recommended accounting practice, maintains a provision for the write-off of debts in respect of council tax, housing debts, housing benefit overpayments and sundry debt invoices. This ensures that the writing-off of bad debts has no detrimental effect on service provision or the council taxpayer.

The total provisions held for bad debts on 31 March 2023 are:

	£'000
Non-Domestic Rates	£0.8m
Council Tax	£3.0m
Housing	£0.5m
Sundry Debtors	£0.6m
Housing Benefit Overpayments	£1.0m
<b>Total</b>	<b>£5.9m</b>

Table below shows all write offs actioned between 1 April 2022 and 31 March 2023. indicates a write on.

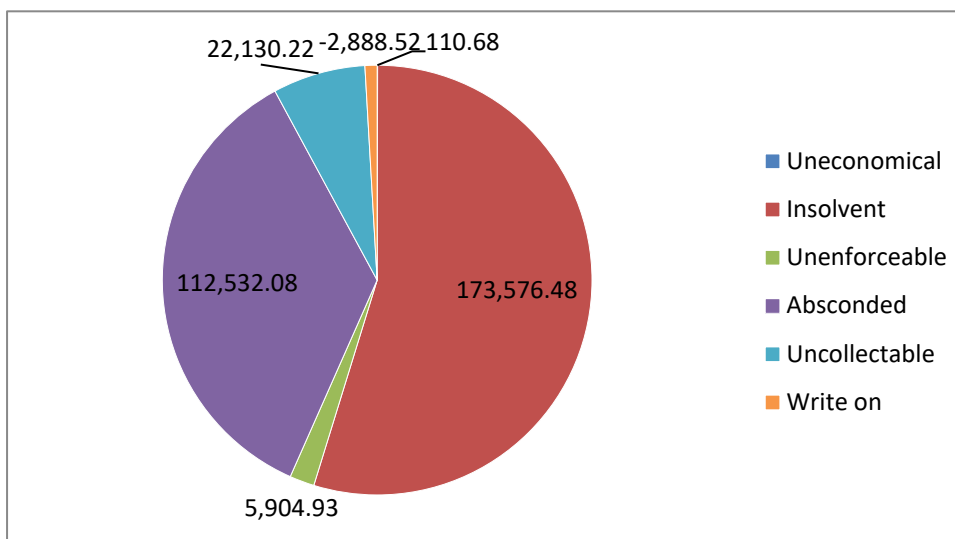
Financial Year	NNDR £	Council Tax £	Exchequer £	Housing Benefits £	Housing £	Total £
<b>Pre 2017/18</b>	25,404.82	349,471.44	1,579.54	-	179,193.95	555,649.75
<b>2017/18</b>	13,622.17	24,984.93	188.00	-	10,623.86	49,418.96
<b>2018/19</b>	33,239.64	32,099.85	1,224.70	-	17,111.71	83,675.90
<b>2019/20</b>	64,977.82	56,572.71	3,252.90	-	5,265.41	130,068.84
<b>2020/21</b>	95,023.45	79,859.43	598.10	-	3,152.66	178,633.64
<b>2021/22</b>	37,756.26	70,133.36	10,518.58	144,501.85	2,774.17	265,684.22
<b>2022/23</b>	41,341.71	25,930.96	148.86	-	3,178.81	70,600.34
<b>TOTAL</b>	<b>£311,365.87</b>	<b>£ 639,052.68</b>	<b>£17,510.68</b>	<b>£144,501.85</b>	<b>£221,300.57</b>	<b>£1,333,731.65</b>

The table below, shows the total amount of debt written off, in the previous financial year, together with the annual debt raised for each service area and the total debt outstanding as at the 31 March 2022.

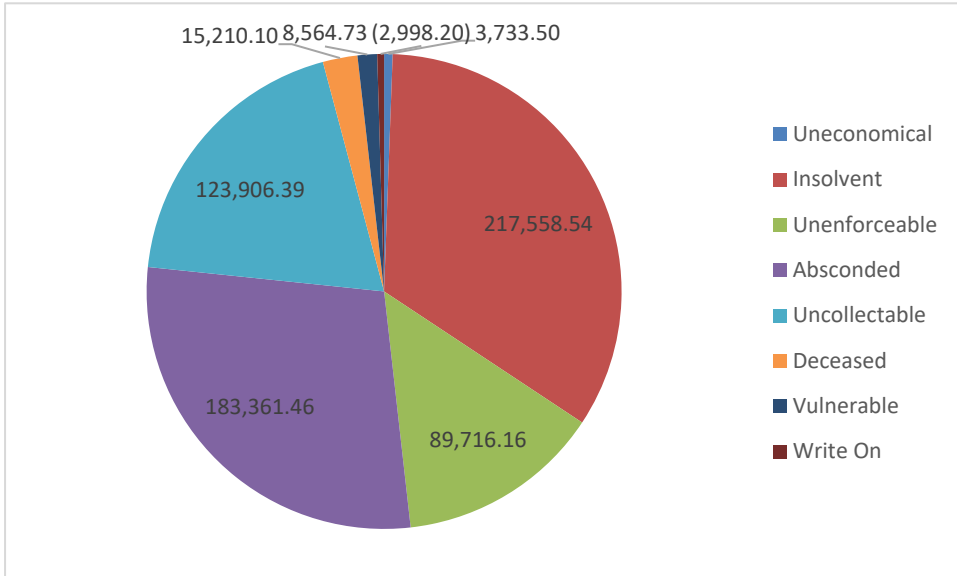
Value of debt written off in previous year	£0.17m	£0.48m	£0.02m	£0.11m	£0m	£0.78m
Annual Debt Raised 22/23	£44.6m	£112.3m	£15.3m	£0.8m	£1m	£174m
Debt Outstanding as at 31.3.23	£2m	£6.3m	£1m	£1.9m	£0.6m	£11.8m

The following pie charts breaks down the reasons for write off for each service area.

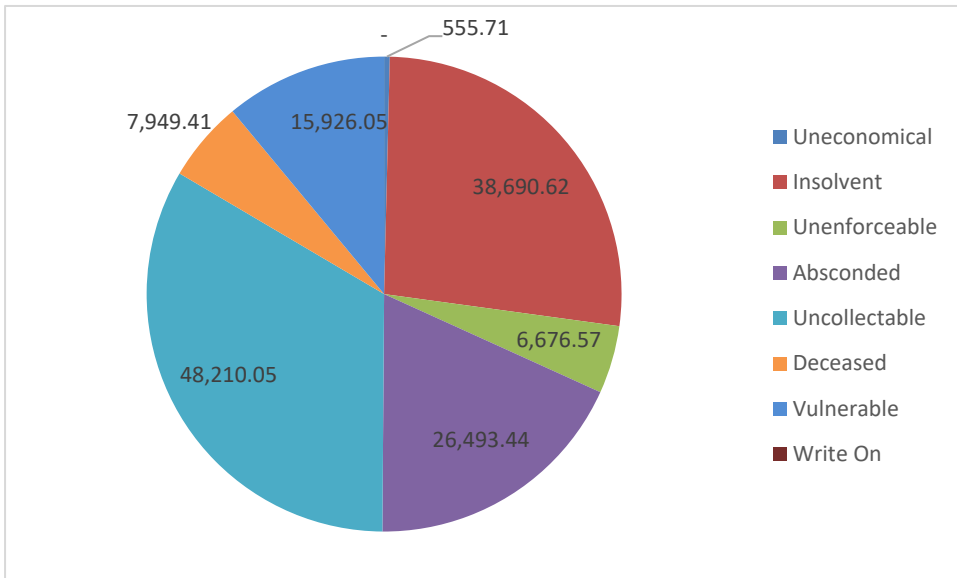
#### **NNDR- Business Rates Total Write off £311,365.87.**



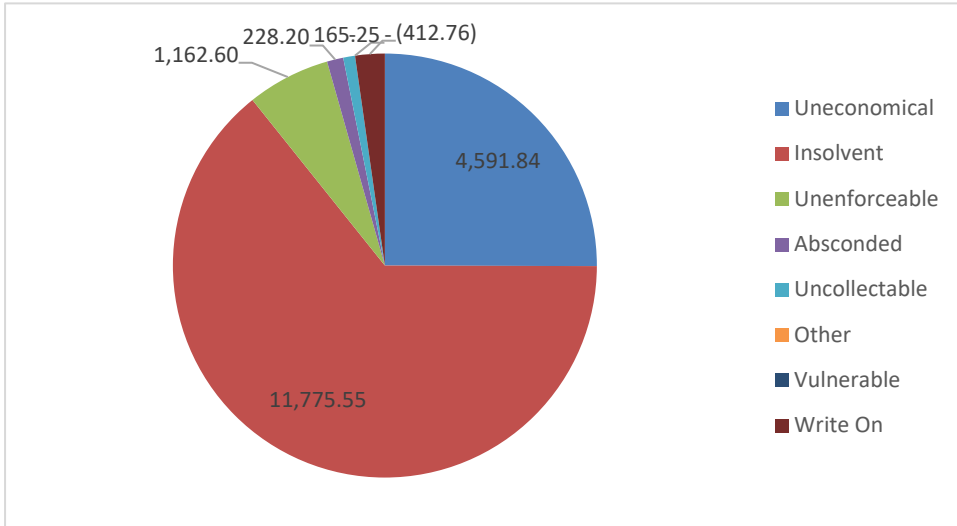
**Council Tax Total Write off £639,052.68.**



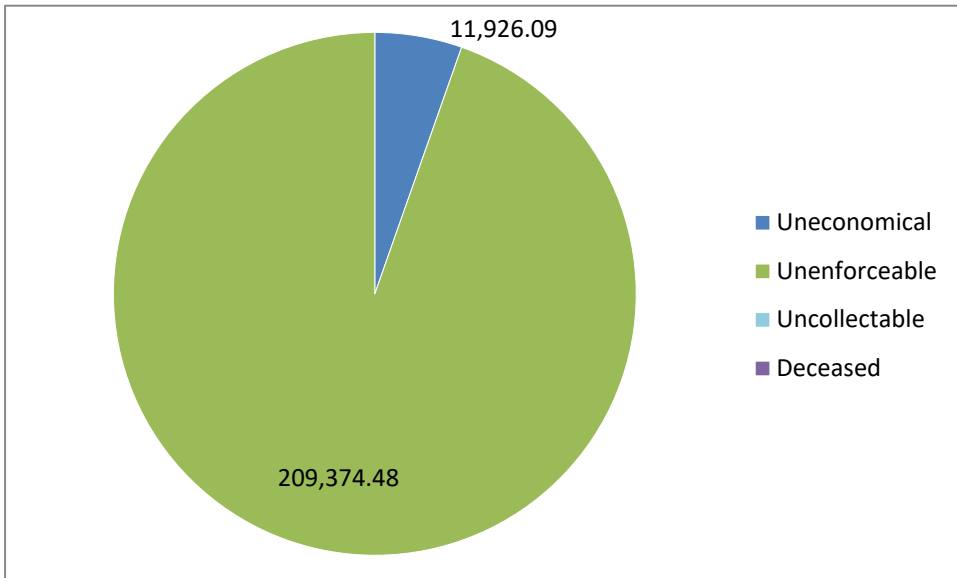
**Housing Benefits Total Write off £144,501.85.**



**Corporate Debt Total Write off 17,510.68.**



**Housing Debt Total Write off £221,300.57.**



Write off description definitions.

- **Uneconomical** – Balance too small for further action or the costs associated with collecting the outstanding debit is prohibitive.
- **Insolvent** - Debtor is the subject of bankruptcy, individual arrangement, liquidation, company voluntary arrangement or a debt relief order.
- **Unenforceable** – Debtor resides abroad, or the debt is over 6 years old.
- **Absconded** – Tracing agent or other methods have been unable to find debtor.
- **Uncollectable** – Remitted by Court or where all avenues of recovery action exhausted and debt remains outstanding.
- **Deceased**- Insufficient or no funds in deceased estate to clear debt.
- **Vulnerable** – Where a debtor has no realistic means of paying the debt due to vulnerability.
- **Write on** – Where a previous debt has been written off and there has been retrospective reduction in charge.

Contact: Paul Jobson – Revenues and Corporate Debt Manager.