

Debt write offs during the period 1 November 2014 to 31 March 2015

- 1 The finance procedures rules require the chief financial officer to report details of amounts over £2k written off to Cabinet for information purposes two times per annum.
- 2 The table below sets out the numbers and amounts written off for individual debts exceeding £2k for the period 1 November 2014 to 31 March 2015:

Income type	1 November 2014 to 31 March 2015	
	Number of cases	Amount £000
Council tax	11	55
Business rates – 50% central government	30	328
Benefit overpayments	7	24
General Debtors	5	30
Total	53	437

- 3 Individual debts under £2k written off in the same period totalled £152k giving a total amount written off of £589k. Debts are only written off once full debt recovery processes are completed, occasionally debt previously written off becomes payable if the debtors circumstances change. The council works closely with statutory bodies when deciding to write off debt. Legislative processes can take many months, or even years if the debtor is on low income, to conclude before a write off is sanctioned.
- 4 Debts written-off represent a very low proportion of income collected, eg council tax £81m, business rates £45m.
- 5 The finance procedure rules stipulate that authorisations for writing off debt exceeding £20k the chief financial officer shall seek agreement from the relevant Cabinet member responsible for resources.
- 6 For the period 1 November 2014 to 31 March 2015, there were five cases exceeding £20k:
 - a write off of £32k relating to council tax due on a number of properties due to the bankruptcy of the landlord.
 - write-offs of £169k business rates due from four companies that went into receivership with no monies available for distribution to creditors.