

WRITE-OFFS – APRIL TO SEPTEMBER 2010

Income Type	April – September 2010		2009/10 (Full year)	
	No. of cases	Amount	No. of cases	Amount
Council Tax	24	£39,215.05	41	£70,477.72
Business Rates	23	£106,276	55	£304,193.60
Benefit Overpayments	14	£27,752.73	16	£31,912.82
Debtors	5	£11,862.56	36	£149,001.28

1. For Business Rates (National Non-Domestic Rates), irrecoverable amounts are fully reimbursed by Central Government subject to the approval of the Audit Commission; therefore, there is no cost to the Authority. The amount written off continues to be affected by the financial climate.
2. For benefit overpayments, a provision is made for irrecoverable amounts from the subsidy paid by the Department for Work and Pensions. Irrecoverable amounts for Sundry Debtors are recharged to the originating department.
3. In general, debts considered for write-off fall into the following categories:
 - Bankruptcy or liquidation
 - Debt relief order
 - Unable to trace debtors
 - Committal
 - Debtor deceased with no estate
 - No further action possible
4. For bankruptcies and liquidations, a claim is lodged with the Receiver and no further effective action can be taken as, under current legislation, local authority debts are non-preferential.
5. An individual with debts of less than £15,000 and a low income can apply for a debt relief order if they cannot afford to pay off their debts. It is granted by the Insolvency Service and is a cheaper option than bankruptcy.
6. Whilst there is an option for committal for non-payment of council tax and business rates, there has been a big increase in the initial costs payable to the court which makes this option uneconomic in the vast majority of cases. Additionally, the Magistrates can remit part or all of the debt and where this happens the amount remitted is written off.