

Debt write offs for the period 1 October 2022 to 31 March 2023

- 1 The Financial Procedure Rules (FPRs) stipulate that the Chief Financial Officer must approve the writing off of debt exceeding £20k. For the period 1 October 2022 to 31 March 2023 there were five cases exceeding £20k (0 cases for the period 1 April 2022 to 30 September 2022) as follows.
- £24,796.21 – Client contribution debt for a client who passed away in 2016 and who did not have capacity. Debt relates to invoices raised between 2013 and 2017. Social Care Act and the statute of limitations prevents us from furthering recovery after 6 years.
 - £21,084.23 – Commercial rent account where business entered into liquidation in 2017.
 - £20,410.85 – Commercial rental account. Property Services confirmed debt could not be chased due to a clause within the lease.
 - £53,043.76 – Direct payment incorrectly paid. Client passed away September 2021. Meetings held with Legal, Fraud, Revenues, Social Care and Deputy Section 151 Officer to decide viable option. Due to age of debt and there being no viable form of recovery via executors and no assets held decision was made to write off the debt.
 - £29,211.61 – Client contribution debt which covers two accounts for one client (one at £15,657.36 and the other £13,554.25). Indications are that the client did not have capacity prior to the Court of Protection taking over the client's finances; therefore was not in a position to agree care etc. at the point of access. The debts are also over 6 years old (some dating back to 2013) therefore due to the Social Care Act and the statute of limitations we have no viable recovery options.
- 2 Individual debts written off in the period 1 October 2022 to 31 March 2023 totalled £404k (£34k for the period 1 April 2022 to 30 September 2022) as shown in the table below. 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.

1 October 2022 to 31 March 2023	Council Tax	NNDR	Housing Benefit over- payments	Sundry debtors	Total
	£000	£000	£000	£000	£000
Total debts written off	129	12	31	232	404

- 3 Debts written-off represent a very low proportion of income collected per annum as shown in the table below. The debts written off have fallen this year for Council Tax and Business Rates as a result of the allocation of resources to implement and administer the Energy Rebate Scheme. Focused work in the Revenues team throughout 2022/23 has resulted in further investigation of aged debtor balances and improvements to processes have been identified to continue to ensure that the council maximises debt collection.

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Total amount written off	772	571	727	438
Percentage of Total Income	0.3%	0.2%	0.3%	0.2%
Council tax charged	131,598	137,175	144,538	150,635
Business rates charged	48,134	19,963	34,585	44,273
General debtors charged	60,004	72,635	72,691	87,422
Total Income	239,736	229,772	251,814	282,330