

## Members' Library Service Request Form

Date of Document	28/02/19
Originator	Kenny Christie
Originator's Ref (if any)	
Document Title	Bad Debt Write Offs (under £50k in value)

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Additional information:

Authorised By	Jim Lamond
Designation	Head of Council Resources
Date	21/03/19

For Office Use Only:	
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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Head of Council Resources

**SUBJECT:** Bad Debt Write Offs (under £50k in value)

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## **1 PURPOSE**

- 1.1 To notify Members of individual debts, each under £50,000 in value which, for a variety of reasons, could not be collected and have been written off by the Council.

## **2 RECOMMENDATIONS**

- 2.1 That Members note the decision of the Head of Council Resources to write off the unrecoverable debts summarised at Appendix 1.

## **3 BACKGROUND**

- 3.1 The Head of Council Resources is responsible for the collection of all debt owed to the Council. A regular assessment of the outstanding debt is made and a list of debt that is not considered collectable is prepared. In making this assessment, account is taken of the Council's approved Bad Debt and Credit Balance Write Off Policy.
- 3.2 Write off of individual debts under £50,000 is approved under delegated powers by the Head of Council Resources as the Section 95 Officer of the Council. Debts of over £50,000 require Cabinet approval prior to write off.

#### **4 POLICY IMPLICATIONS**

- 4.1 None, the actions taken in this report are in accordance with approved Council policy as set out in Section 3.1.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The report is not applicable to the wellbeing of equalities groups and an Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - any bad debts are written off against a bad & doubtful debt provision which is reflected within the annual accounts and is used to recognise the value of debts which are deemed to be irrecoverable. This is based on an estimate of income which is unlikely to be realised based on previous experience. The total value of the bad debt provision which was reflected within the 2017/18 accounts was £11.627m and is reviewed on an annual basis. Scottish Water write offs will be borne by the water authority.
- 6.2 Personnel - none
- 6.3 Other - none

#### **7 BACKGROUND PAPERS**

- 7.1 Bad Debt and Credit Balance Write Off Policy – Cabinet 13<sup>th</sup> March 2018.

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<b>DATE</b>	28 <sup>th</sup> February 2019

## Appendix 1

### Bad Debt Written Off

April - September 2018/19

	No. of write off accounts	No. of write on accounts	Amount to be written off	Amount to be written on
Council Tax including Scottish Water	297	0	£444,983.37*	
Business Rates	27	58	£169,818.13	£8,119.27**
Council House Rent - Current Tenants	28	0	£72,852.80	
Council House Rent - Former Tenants	46	0	£12,148.62	
Sundry Accounts (inc. VAT)	193	717	£205,827.06	£66,172.93
Housing Benefit Overpayments	224	0	£66,826.59	
Total	815	775	£905,629.98	£74,292.20

\* The Council Tax debt submitted and approved for write off was £445,236.54. Due to adjustments made between submitting recommendations and receiving approval, the actual amount written off was £444,983.37. The difference of £253.17 relates to five cases where payment was received following sequestration.

\*\* The Business Rates debt submitted and approved for write on was £8,572.91. Due to a small balance error and liability changes made between submitting recommendations and receiving approval, the actual amount written on was £8,119.27. The difference of £453.64 relates to two credits totalling £453.60 created by a liability date change, and an error of 4p.