

Members' Library Service Request Form

Date of Document	01/04/21
Originator	Kenny Christie
Originator's Ref (if any)	
Document Title	Bad Debt & Credit Balance Write Offs

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Cabinet

Additional information:

Authorised By	Sarah Fortune
Designation	Head of Finance
Date	20/04/21

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director of Council Resources

SUBJECT: Bad Debt and Credit Balance Write Offs

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 Executive Director of Council Resources to write off the unrecoverable debts summarised at Appendix 1.

3 BACKGROUND

- 3.1 The Executive Director 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 Executive Director 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 2019/20 accounts was £10.472m 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 13th March 2018.

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DATE	April 2021

Appendix 1

Bad Debt Written Off

October - March 2019/20

	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	123	0	£116,754.96	£0.00
Business Rates	12	0	£102,123.69*	£0.00
Council House Rent - Current Tenants	12	0	£20,441.47	£0.00
Council House Rent - Former Tenants	11	0	£5,137.12	£0.00
Sundry Accounts (inc. VAT)	234	9	£74,344.96	£692.43
Housing Benefit Overpayments	191	0	£54,520.43	£0.00
Total	583	9	£373,322.63	£692.43

* The actual amount of Business Rates debt written off was £101,908.57. The reason for the difference was a clerical error when originally recommending for write off.

April – September 2020/21

	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	123	0	£170,662.65	£0.00
Business Rates	10	3	£99,464.28	£772.61
Council House Rent - Current Tenants	16	0	£37,054.84	£0.00
Council House Rent - Former Tenants	151	0	£90,451.17	£0.00
Sundry Accounts (inc. VAT)	149	4	£54,765.87*	£188.67*
Housing Benefit Overpayments	63	0	£23,247.06	£0.00
Total	512	7	£475,645.87	£961.28

* The actual amount of Sundry Accounts written off was £54,234.44. The reason for the difference was due to charge amendments. The actual amount written on was £214.09. The reason for the difference was a clerical error when originally recommending the write on.

October - March 2020/21

	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	49	0	£102,522.31*	£0.00
Business Rates	1	0	£6,660.27	£0.00
Council House Rent - Current Tenants	5	0	£12,734.32	£0.00
Council House Rent - Former Tenants	69	0	£21,279.82	£0.00
Sundry Accounts (inc. VAT)	374	1	£199,495.99*	£5.00
Housing Benefit Overpayments	0	0	£0.00	£0.00
Total	498	1	£342,692.71	£5.00

* The actual amount of Council Tax written off was £102,487.02. The reason for the difference was due to a DWP payment and a Council Tax Reduction amendment.

* The actual amount of Sundry Accounts written off was £196,439.63. The reason for the difference was due to two accounts being cancelled and another account being paid in full.