

## Members' Library Service Request Form

Date of Document	08/01/24
Originator	Kenny Christie
Originator's Ref (if any)	
Document Title	Bad Debt & Credit Balance Write Offs

Please indicate if access to the document is to be "unrestricted" or "restricted", with regard to the terms of the Local Government (Access to Information) Act 1985.

Unrestricted	<input checked="" type="checkbox"/>	Restricted	<input type="checkbox"/>
--------------	-------------------------------------	------------	--------------------------

If the document is "restricted", please state on what grounds (click on grey area for drop-down menu):

For Publication
-----------------

Please indicate which committee this document should be recorded into (click on grey area for drop-down menu):

Cabinet
---------

Additional information:

Authorised By	Ellie Dunnet
Designation	Head of Finance
Date	11/01/24

For Office Use Only:	
Library Reference	07/24
Date Received	11/01/24
Bulletin	Jan 24

**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Executive Director for 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 for Council Resources to write off the unrecoverable debts summarised at Appendix 1.

**3 BACKGROUND**

- 3.1 The Executive Director for 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 2021/22 accounts was £13.410 million and is reviewed on an annual basis. The figure within the unaudited draft accounts for 22/23 is £15.102m. 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.

<b>AUTHOR'S NAME</b>	Kenny Christie
<b>DESIGNATION</b>	Service Manager – Revenues
<b>CONTACT INFO</b>	<a href="mailto:kchristie@eastlothian.gov.uk">kchristie@eastlothian.gov.uk</a>
<b>DATE</b>	8/1/24

## Appendix 1

### Bad Debt Written Off

April 2023 – September 2023

	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	150	0	£258,697.95	£0.00
Business Rates	18	0	£63,526.15	£0.00
Council House Rent - Current Tenants	21	0	£38,170.62	£0.00
Council House Rent - Former Tenants	27	167	£13,650.11	£3,563.28
Sundry Accounts (inc. VAT)	128	65	£116,251.33*	£10,189.77
Homeless	789	0	£505,736.84	£0.00
Housing Benefit Overpayments	73	0	£42,335.57	£0.00
<b>Total</b>	<b>1206</b>	<b>232</b>	<b>£1,038,368.57</b>	<b>£13,753.05</b>

\*The actual amount of Sundry Accounts written off was £116,101.33. The reason for the difference was a charge adjustment between recommendation and actual write off.

Across all areas, £255,697.04 was written off due to sequestration, £14,585.32 was written off due to company liquidation and £91,905.51 was written off as the debtor was deceased with no estate funds to cover the debt.