

17 March 2016

**REPORT OF THE PORTFOLIO HOLDER FOR OPERATIONS AND ASSETS****WRITE OFFS 01/04/15 - 31/12/15****EXEMPT INFORMATION**

None

**PURPOSE**

To provide Members with details of write offs from 1st April 2015 to 31st December 2015.

**RECOMMENDATIONS**

That Members endorse the amount of debt written off for the period of 1st April 2015 to 31st December 2015 – **Appendix A-D**.

**EXECUTIVE SUMMARY**

The Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy. The first part of this report shows the position for the current financial year – **Appendix A- D**. Further updates will continue to be produced on a quarterly basis.

<b>Type</b>	<b>01/04/15-31/12/15</b>
Council Tax	£55,418.13
Business Rates	£41,146.83
Sundry Income	£4,482.23
Housing Benefit Overpayments	£87,049.06

**OPTIONS CONSIDERED**

Not applicable

**RESOURCE IMPLICATIONS**

The write offs detailed are subject to approval in line with the Corporate Credit Policy/Financial Regulations.

**LEGAL/RISK IMPLICATIONS BACKGROUND**

Not applicable

**SUSTAINABILITY IMPLICATIONS**

Not applicable

## BACKGROUND INFORMATION

This forms part of the Council's Corporate Credit Policy and effective management of debt. The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and they will need to be considered for write off in accordance with the schemes of delegation prescribed in the Corporate Credit Policy.

The Council views such cases very much as exceptions. Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and types of debt together with any factors that it feels are relevant to the individual case.

<b>Authority Account Value</b>	
Head of Revenues	Up to £1,000
Chief Officer(or authorised delegated officer)	£1,001 to £5,000
Executive Director Corporate Services	£5,001 to £10,000
Cabinet	Over £10,000

These limits apply to each transaction.

### Bad Debt Provision

The level of the provision must be reviewed jointly by the unit and Accountancy on at least a quarterly basis as part of the management performance review, and the table below gives the mandatory calculation.

Where the debt is less than 6 months old it will be written back to the service unit.

<b>Debt Outstanding</b>	<b>Provision (Net of VAT)</b>
Between 6 and 12 months old	50%
Between 12 and 24 months old	75%
Over 24 months old	100%

The financial effects of providing for Bad Debts will be reflected in the Council's accounts at Service Unit level.

### REPORT AUTHOR

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### LIST OF BACKGROUND PAPERS

Corporate Credit Policy - effective management of debt

### APPENDICES

Appendices A to D give details of write offs completed for Revenues and Benefits Services for 01 April 2015 to 31 December 2015