

Debt Write Offs

- 1.1 Debts are only written off as a last resort, when all feasible recovery action has been exhausted. If the situation surrounding an individual case changes in the future, steps would be taken to pursue the debt, despite the debt having been written off.

Sundry Debtors

- 1.2 Income is due to the Council for a wide range of services provided to individuals and businesses. To reflect the fact that, despite the Council's best efforts, not all of this income will actually be collected, the Council makes provision for bad and doubtful debts, which it charges directly to the General Fund.
- 1.3 Overall, 79 debt write offs totalling £192,944.83 have been incurred. All but six valued at £147,325.73, which require approval of Cabinet (see Appendix 8), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedures Rules.

The Collection Fund

- 1.4 The City of Wolverhampton Council acts as billing and collecting authority for council tax and non-domestic rates income. The Council administers a separate Collection Fund account for this purpose. The Collection Fund accounts for the receipt of council tax and business rates (non-domestic rates) income and payments to precepting authorities such as the Fire Authority and the Police. Within this account, provisions are made for bad and doubtful debts and any write offs are charged to the council tax or business rates provision as appropriate.
- 1.5 **Council Tax** – Overall, 739 debt write offs totalling £497,389.93 have been incurred. All but six valued at £40,607.02 in total, which require approval of Cabinet (see Appendix 9), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.
- 1.6 **Non-Domestic Rates (NDR)** – Overall, 30 debt write offs totalling £258,497.18 have been incurred. All but two valued at £63,595.44 in total, which require approval of Cabinet (see Appendix 10), have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.

Housing Benefits

- 1.7 Housing benefit overpayments occur when rent rebate or rent allowance awards exceed a recalculated entitlement. Whilst the Council aims to limit the incidence of overpayments, they may occur for a number of reasons including as a result of fraud or error. In general, overpaid benefit is written off in line with

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Government guidance where recovery would cause hardship, where the debtor has died or cannot be traced.

- 1.8 The Council receives Government subsidy in respect of overpaid housing benefit at rates of between 40% and 100% according to the circumstances in which the overpayment arose. The unsubsidised element of any overpayment is charged to the General Fund.
- 1.9 Overall, 16 overpayments totalling £1,451.30 have been incurred. All have been approved for write off by the Director of Finance in accordance with the Council's Financial Procedure Rules.