

Bolsover District Council

Meeting of the Executive on 8th September 2025

MANAGEMENT OF CORPORATE DEBT – WRITE-OFF OF OUTSTANDING AMOUNTS

Report of the Portfolio Holder for Resources

Classification	This report is open
Contact Officer	Theresa Fletcher Director of Finance and Section 151 Officer

PURPOSE/SUMMARY OF REPORT

For Executive to agree to the proposed write-off of debts in respect of Sundry Debtors as detailed in **Appendix 1** to this report.

REPORT DETAILS

1. Background

- 1.1 The main sources of income for the Council's General Fund are business rates, council tax, a small number of government grants and service-related income. The greatest source of income for the Council's Housing Revenue Account is dwelling rent, often referred to as 'housing rents.'
- 1.2 We request the income due to us on the relevant system by raising bills for business rates, council tax and housing rents. There is legislation in place for each of these sources which determines the rules of collecting this income.
- 1.3 For service-related income, invoices are raised on the sundry debtor system which is a module of our Civica Financial Management System. Examples of types of income include housing benefit overpayment, trade refuse, industrial unit rent, garage site rent, wardens service and alarms, and leisure - hire of facilities. This income is reported in two amounts with housing benefits overpayments identified separately from the rest.
- 1.4 Debtors of a Local Authority are extremely sensitive to change. If a tenant/tax payer's circumstances change it can become difficult for them to keep paying their rent or council tax. Informing us of a change in personal circumstances late can mean more benefit is paid to them than they are entitled to which can mean they become benefit overpayment debtors.
- 1.5 Circumstances can change quickly, and mean debtors fall into arrears. It is common for Local Authority's to have arrears balances due to the vulnerable nature of some of its debtors. Debt management is how the Council manages its arrears and debtors.

- 1.6 When an amount of arrears becomes uncollectable it is described as a bad debt. Writing-off amounts which are no longer collectable is an essential part of the debt management process. It ensures that a focus is maintained on those amounts which are collectable, thus maximising overall levels of collection.
- 1.7 The Council's Constitution allows the Director of Finance and Section 151 Officer, *'after consultation with the relevant Portfolio Holder, to authorise the write-off of bad debts up to an approval limit of £2,500.'*

2. Details of Proposal or Information

- 2.1 This report recommends the write-off of a number of individual debts which are above the limit of £2,500. The table below gives a summary of each class of write-off. This shows the amounts to be written off in 2025/26 as part of this report, and amounts written off in previous years, as a comparison.

	19/20	20/21	21/22	22/23	23/24	24/25	25/26
	£	£	£	£	£	£	£
Business Rates	64,988	16,870	62,841	39,545	81,790	150,208	0
Council Tax	75,565	58,361	44,815	52,901	50,376	107,720	0
Housing Rents	34,343	32,447	31,432	0	37,420	18,621	0
Overpaid Housing Benefit	47,143	43,432	40,769	34,078	16,810	14,940	0
Sundry Debtors	0	0	22,084	2,610	0	0	22,663
Total	222,040	151,110	201,942	129,133	186,397	291,489	22,663

- 2.2 The table shows we don't have need to write-off debts for sundry debtors every year, but all of the amount proposed to be written off in this report, relates to the same business which has gone into administration and is no longer trading.
- 2.3 In all cases where we have cause to write debt off, every attempt has been made by the Council and agencies working with the Council, to collect the outstanding debt before write-off is proposed:
- Where the debtor is bankrupt or in liquidation the amounts for write-off are proposed only where there is no realistic prospect of recovery.
 - Where companies have ceased to trade, there is no further recovery of outstanding amounts possible.
 - Where the debtor is deceased, the amounts are proposed for write-off where there is no estate and therefore, further recovery is not possible.
 - Where debtors leave properties without a forwarding address, extensive efforts are made to trace them. In addition to departmental checks, statutory undertakers (utilities companies) and other agencies are contacted, enquiries

made of neighbours and family members, where known. Where it is known that a person has moved to another area, contact is made with the relevant Local Authority to alert them and request reciprocal information. These are classed as no trace.

- Where the debtor's location is known but all efforts to recover the outstanding debt have been exhausted and further recovery is not possible, they have been classed as not recoverable.

3. Reasons for Recommendation

- 3.1 Given that all available options to recover this debt have been explored, it is important that the Council recognises the position and approves the write-off of the uncollectable debt.

4 Alternative Options and Reasons for Rejection

- 4.1 These are outlined in the main body of the report.

RECOMMENDATION(S)

That Executive agrees to write-off the amounts included at 2.1 (£22,662.68) and detailed in Appendix 1.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

IMPLICATIONS.

Finance and Risk: Yes ☒ No ☐

Details:

The financial issues are covered throughout the report.

International Financial Reporting Standard (IFRS) 9 – Financial Instruments, requires the Council to write-off debt as soon as it is deemed uncollectable. This is to ensure the correct value of arrears is included on the Council's balance sheet at 31st March each year.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☐ No ☒

Details:

There are no legal or data protection issues arising directly from this report.

On behalf of the Solicitor to the Council

Environment:

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Not applicable for this report.

Staffing: Yes ☐ No ☒

Details:

There are no human resource issues arising directly out of this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No

District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details: Portfolio Holder for Finance

Links to Council Ambition: Customers, Economy, and Environment.

DOCUMENT INFORMATION

Appendix No	Title
1	Detail of recommended write-offs over £2,500.

Background Papers

(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).

None