

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Cabinet	<b>Date:</b> 11 March 2026
<b>Subject:</b>	Write Off Policy 2026	
<b>Report of</b>	Deputy Leader and Cabinet Member for Finance and Transformation	

### Summary

Approval is sought for a new Write Off policy covering all council-related income streams.

The policy provides a robust, consistent and efficient approach to the write off of council debts.

The policy also introduces a framework for irrecoverable debts – essentially debts that the council has no choice but to write off due to the circumstances surrounding it – which drives down the level of administrative work involved whilst retaining a sufficient level of governance.

The policy also alters the Scheme of Delegation and threshold levels therein to enable a more practical approach to the write off of debt and reasonable intervention points for executive officers and above.

### Recommendation(s)

1. That Cabinet approve the new policy and relevant changes to the constitution being forwarded to Full Council for ratification
2. That Cabinet note that adoption and constitution changes must be by Full Council

### Reasons for recommendation(s)

There is a governance requirement for the council to hold an up to date and robust Write Off policy, and for any constitution changes to be put before Full Council.

### Alternative options considered and rejected

N/A

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## **Background**

Section 151 of the Local Government Act 1972 requires that local authorities make arrangements for the proper administration of their financial affairs. Part of these arrangements includes establishing a policy for the writing off of irrecoverable debts. These arrangements are underpinned by Part 4 Procedures Rules, Section 6 Financial Regulations of the Council's constitution.

Recent centralisation of the council's income streams into one service – Corporate Collection and Support – has enabled adoption of more consistent collection principles across these different streams.

This approach has now led to the drafting of a new corporate Write Off policy.

The purpose of this new policy is to provide a consistent, efficient and corporate approach to the writing off of unviable and irrecoverable debts whilst seeking to maximise the opportunity for collection and thereby minimising the need for write off. The policy also establishes a disciplined approach across the Council for the writing off of those debts that are not recoverable. It establishes clear guidance for all Council Officers on the recording, reporting, recovery and monitoring of the Council's debt and income.

Its core intention is to set out clear criteria and processes for when debts may be considered for write-off, ensuring fairness, objectivity, and accountability. This includes outlining circumstances such as insolvency, death, untraceable debtors, financial hardship, or uneconomical recovery. The policy also establishes approval thresholds, responsibilities of officers, and the need for evidence so that write-off decisions are made consistently, efficiently, and in line with legislation, including specific rules for Adult Social Care and Housing Benefit overpayments.

Overall, the policy is designed to reduce the level of write-offs by improving debt collection practices, strengthening performance management, and supporting informed decision-making across all service areas. It ensures that resources are focused on debts that are realistically recoverable, that historical or unsupported debts are properly addressed, and that appropriate use is made of third-party collection services. The policy also reinforces good financial governance by requiring regular reporting, maintaining proper records, and ensuring adequate bad debt provision.

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### **Links with the Corporate Priorities:**

3. Reduce Child Deprivation & Inclusive Economic Growth– By upholding a robust write off policy and procedure, families who are struggling financially and obtain statutory financial measures such as Debt Relief Orders will benefit from an efficient write off of their debts. A robust write off policy forms a key part of any income collection regime and will help ensure debt profile

refinement is maintained and officers are able to better focus on viable debt caseloads.

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### **Equality Impact and Considerations:**

The analysis has identified there is no material impact on all characteristics with the exception of the Socio-economically vulnerable where the policy is likely to have a supportive positive impact

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### **Environmental Impact and Considerations:**

4. Not applicable

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### **Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
Debt over £10,000 is incorrectly classified as irrecoverable, and is written off by the Head of Service without need to refer to Section 151 Officer.	A full list of all debts written off as irrecoverable to be taken to Finance Board on a quarterly basis for ratification.

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### **Legal Implications:**

The Council is required by its Financial Regulations to have sound financial management policies in place. An adopted policy supports consistency of decision-making and transparency in relation to decisions to write-off irrecoverable debts.

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### **Financial Implications:**

There are no financial implications arising from this report

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### **Appendices:**

*Bury Council Write Off Policy 2026*