

South Ayrshire Council

Report by Chief Financial Officer
to Cabinet
of 16 June 2026

Subject: Write-offs: Council Tax, Non-Domestic Rates, Customer Invoicing and Housing Benefit Overpayments

1. Purpose

- 1.1 The purpose of this report is to seek the approval of Members to write-off Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Customer Invoicing Accounts in accordance with Council policy.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 notes the write-off of Council Tax amounting to £393,997.77 previously approved by the Chief Financial Officer in accordance with Section 7 (FIP10) of the Council's Scheme of Delegation**
- 2.1.2 notes the write-off of Council Tax for the period 01/04/1993 – 31/03/2006 which is now prescribed amounting to £9,059,898.69 previously approved by the Chief Financial Officer in accordance with Section 7 (FIP10) of the Council's Scheme of Delegation**
- 2.1.3 approves the write-off of Non-Domestic Rates amounting to £100,587.35**
- 2.1.4 approves the write-off of Housing Benefit Overpayments amounting to £24,069.64**
- 2.1.5 approves the write-off of Customer Invoicing accounts amounting to £52,519.44**

3. Background

- 3.1 Current approved procedures allow for the write-off of Council Tax, Non-Domestic Rates, Customer Invoicing and Housing Benefit Overpayments once all attempts to recover such debts have been exhausted.
- 3.2 The Prescription (Scotland) Act 2018 came into force on 28 February 2025 amending Section 7 of the Prescription and Limitation (Scotland) Act 1973. This changed the prescription period for council tax, and other debts recovered using the Summary Warrant enforcement process, introducing an absolute limit of 20 years enforcement from the date the debt was raised. Prior to this change the 20

years enforcement period could be reset by the debtor acknowledging the debt, generally by making a payment.

4. Proposals

4.1 Council Tax (Including Water Service charges)

4.1.1 There were no cases above £10,000 requiring write-off in 2025/26.

4.1.2 Write-offs of Council Tax accounts amounting to £393,997.77 in respect of cases under £10,000 have been approved by the Chief Financial Officer in accordance with section 7 (FIP10) of the Council's Scheme of Delegation.

4.1.3 In accordance with the Prescription (Scotland) Act 2018 as noted at paragraph 3.2 a total of £9,059,898.69 prescribed debt has also been approved for write off by the Chief Financial Officer in accordance with the Council's Scheme of Delegation. The 2025/26 write off exercise covers all prescribed debt for the period 01/04/1993 – 31/03/2006 ensuring compliance with the recent legislative changes. In future years prescribed debt for the relevant sequential financial year will be submitted for write off. Whilst some older years debts had previously been identified as potentially prescribed, the previous legislation allowed for the 20 year time limit to be re-set, therefore this debt had never submitted for write-off. It should be noted that for the years 1993-2006 Council Tax bills, inclusive of reliefs and discount, were issued totalling £493.3m. The level of prescribed debt being submitted for write off is less than 1.8% of the total tax billed.

4.1.3 Whilst the 2025/26 write-off figures include debt for multiple years it should be noted for context that Council Tax annual bills totalling £104.6m (including water service charges) were issued for the year 2025/26.

4.1.4 A total of £372,089.07 was approved for write off in 2024/25

4.2 Non-Domestic Rates

4.2.1 The total amount submitted to Cabinet for write-off for cases above £10,000 is £100,587.35.

4.2.2 In addition, write-offs of Non-Domestic Rates amounting to £160,385.84 in respect of cases under £10,000 have been approved by the Chief Financial Officer in accordance with section 7 (FIP10) of the Council's Scheme of Delegation.

4.2.3 Whilst the write-off figures include debt for multiple years it should be noted for context that Non-Domestic Rates annual bills totalling £55.1m were issued for the year 2025/26.

4.2.4 A total of £520,724.74 was approved for write off in 2024/25

4.3 Housing Benefit Overpayments

4.3.1 The total amount submitted to Cabinet for write-off for cases above

£10,000 is £24,069.64.

4.3.2 In addition write-offs for Housing Benefit Overpayments (HBO) amounting to £214,095.79 in respect of cases under £10,000 have been approved by the Chief Financial Officer in accordance with section 7 (FIP10) of the Council's Scheme of Delegation.

4.3.3 Whilst the write-off figures include debt for multiple years it should be noted for context that HBO debt is reducing in value due to DWP migration to Universal Credit. The total value of HBO outstanding is now around £1.0m

4.3.4 A total of £451,476.27 was approved for write off in 2024/25.

4.4 **Customer Invoicing**

4.4.1 The total amount submitted to Cabinet for write-off for cases above £10,000 is £52,519.44

4.4.2 Write-offs for Customer Invoicing accounts amounting to £293,777.69 in respect of cases under £10,000 have been approved by the Chief Financial Officer in accordance with section 7 (FIP10) of the Council's Scheme of Delegation.

4.4.3 For Customer Invoicing debt the prescription period is 5 years from when the debt was initially raised, however this period can still be reset, either where a payment is made, or where a decree is raised for recovery. During 2025/26 the Council's Legal Services undertook a review to ensure that the Customer Invoicing debt they are recovering complies with the prescription rules. This exercise has resulted in higher-than-normal levels of debts being identified for write off. This exercise will continue during 2026/27 and in each subsequent year thereafter to ensure any debt that is prescribed is reported for write-off.

4.4.3 Whilst the write-off figures include debt for multiple years it should be noted for context that Customer Invoicing bills totalling £49.7m were issued for the year 2025/26

4.4.4 A total of £48,808.04 was approved for write off in 2024/25

4.5 A full list of all write-offs is available for Members' only consideration, on the Elected Members' Portal.

5. **Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. **Financial Implications**

6.1 The write-offs will be contained within the existing bad debt provision, which will be reviewed to take account of likely levels of bad debt write-offs and the potential for any recovery of debt previously written off. Members should note, however, that

15. Next Steps for Decision Tracking Purposes

- 15.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Cabinet Decision Log' at each of its meetings until such times as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Debt will be written off and systems updated	30 June 2026	Service Lead – Revenues and Benefits

Background Papers [Full list of specific write-offs](#) (Members only)

[Further full list of specific write-offs](#) (Members only)

Person to Contact **Tim Baulk, Chief Financial Officer**
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612620
E-mail tim.baulk@south-ayrshire.gov.uk

Nicola Gemmell, Service Lead - Revenues and Benefits
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612592
E-Mail Nicola.gemmell@south-ayrshire.gov.uk

Date: June 2026