

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	10 February 2026
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Unrecoverable Debt
REPORT NUMBER	CORS/26/014
EXECUTIVE DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Wayne Connell
TERMS OF REFERENCE	1.1.14

1. PURPOSE OF REPORT

- 1.1 To advise on the numbers and values of Council Tax, Penalty Charge Notices, Bus Lane Enforcement Charge Notices, Service Income and Council House Rent debts written off as unrecoverable during 2024/25 as required in terms of the Council's Financial Regulations.

2. RECOMMENDATION(S)

That the Committee: -

- 2.1 Note the numbers and values of Council Tax, Penalty Charge Notices, Bus Lane Enforcement Charge Notices, Service Income, Council House Rent and Housing Benefit Overpayments debts written off as unrecoverable during 2024/25 in terms of the Council's Financial Regulations and the reasons for such debts being written off.

3. CURRENT SITUATION

- 3.1 The figures included within this report relate to those debts treated as unrecoverable during the financial year 2024/25. These figures include where write offs have been reinstated or adjusted.
- 3.2 It must be emphasised that prior to completing the list, full advice, where appropriate, has been received from the Council's Debt Recovery Agents (Sheriff Officers) in determining that debts are indeed unrecoverable.
- 3.3 Debt is only marked as deceased where there is no money left in the estate to cover the outstanding monies due.
- 3.4 Despite a debt being deemed unrecoverable, should the debt become collectable, e.g., debtor subsequently located, the debt will be reinstated and pursued. Where a debt has been previously written off e.g., sequestration and a dividend from the Accountant in Bankruptcy is received, the write off amount will be adjusted accordingly.

- 3.5 The sums mostly relate to previous years where all approved recovery procedures have been followed. Full bad debt provision has been made in the accounts.

Council Tax

- 3.6 In total 8,534 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Citizen Service with a value of £866,071.77. This is compared with the previous year where 7,987 debts were deemed unrecoverable with a net value of £902,282.16. A breakdown over the years and reasons are shown in Appendix 1.

Penalty Charge Notices and Bus Lane Enforcement Charge Notices

- 3.7 In total 9,779 debts were deemed unrecoverable by Chief Officer - Finance and Chief Officer People & Citizen Service with a value of £994,280. This is compared with the previous year where 8,145 debts were deemed unrecoverable by Chief Officer - Finance and Chief Officer People & Citizen Service with a value of £538,820. Further details are provided are shown in Appendix 2.
- 3.8 The increase in numbers can be attributed to the implementation of LEZ and Pavement, Double and Dropped Kerb parking in 24/25. The increased values are due to the increased numbers and more write offs carried out at £150 than in the previous year where the same notice would have been written off at £90.

Service Income

- 3.9 In total 2,374 debts were deemed unrecoverable by the Chief Officer - Finance with a value of £920,824.92. This is compared with the previous year where 5,849 debts with a value of £3,388,028.75 were deemed unrecoverable. The decrease is due to the clearing of Aged Debt on accounts during 2023/24.

Council House Rents

- 3.10 The value of Council House Rent deemed by the Chief Officer - Finance and Chief Officer – Housing as unrecoverable during 2024/25 was £3,743,135.08. This is compared with the previous year where £569,725.12 was deemed unrecoverable. The increase in unrecoverable Council House Rent is attributable to a review of the Rent Write Offs process. New procedures were implemented following benchmarking against high-performing councils and best practice standards. As a result, the 2024/25 figure is higher than usual, reflecting both the adoption of improved processes and the clearing of outstanding write offs. Further details are provided in Appendix 4.

Housing Benefit Overpayments

- 3.11 In total 1,696 debts were deemed unrecoverable by the Chief Officer - Finance and Chief Officer People & Citizen Service with a value of £643,491.77. There were no write offs during 2023/24 due to a review of the Housing Benefit Overpayment processes and procedures. A breakdown over the years and reasons are shown in Appendix 3.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from the recommendations of this report as the sums deemed as unrecoverable are fully provided for in terms of bad debt provision.

4.2 To put the level of unrecoverable debt into context:

- Council Tax collected during 2024/25 (including water charges) was £187,737,988 (0.46% Write-Off).

The sums deemed unrecoverable cover a number of financial years.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

7.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified			
Compliance	Non-Compliance with Council's Financial Regulations and non-compliance with legal obligation to manage its financial affairs.	By writing off debts that are no longer collectable and reporting to committee compliance is achieved.	L	Yes
Operational	No significant risks identified			
Financial	Loss of income to the Council	The sums deemed as unrecoverable are fully provided for in terms of	L	Yes

		bad debt provision and debts are only written off where absolutely necessary.		
Reputational	There is the possibility of a negative perception of the decision to write off debt due.	Communication to advise debts are pursued vigorously but there is no option but to class some debts as unrecoverable e.g. when businesses fail and sequestration. This Council only writes-off debts in exceptional circumstances but reinstates amounts owed regularly when further information becomes available.	L	Yes
Environment / Climate	No risks identified			

8. OUTCOMES

8.1 The proposals in this report have no impact on the Council Delivery Plan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Isla Newcombe, Chief Officer - People and Citizen Service on 08/01/25
Data Protection Impact Assessment	Not required
Other	N/A

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

- 11.1 Appendix 1 Council Tax Write Offs 2024/25
Appendix 2 Penalty Charge Notices and Bus Lane Enforcement Charge Notices 2024/25
Appendix 3 Council House Rents 2024/25

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