



Cabinet 25 June 2008

Revenues Collection Performance

1. Summary and Reasons for Recommendations

- 1.1 The Revenues Section collects outstanding debts in accordance with either statutory guidelines or Council agreed procedures. When all these procedures have been exhausted the outstanding debt is written off using the delegated authority of the Chief Finance Officer (for debts up to £750) or by Cabinet (for debts over £750).
- 1.2 The reasons for recommending the write offs are included in Exempt Appendix 1 attached to this report.
- 1.3 The Collection Data in respect of Sundry Debts are shown in Section 8 of the report.

2. Recommendations

- 2.1 The levels of collection performance achieved, as set out in Section 8 to Report Z69, be noted.
- 2.2 The write-off of the amounts detailed in the exempt appendix to Report Z69 - 5 accounts for sundry debts totalling £8,408.64 (Exempt Appendix 1) be approved. No business rates or council tax debts have been put forward for write-off on this occasion.

3. Corporate Objectives

- 3.1 The recommendations meet the following, as contained within the Corporate Plan:-
 - (a) Corporate Priority: *'To raise Corporate standards and efficiency'*.

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| 4. Key Issues |
| 4.1 The Revenues Section collects outstanding debts in accordance with either statutory guidelines or Council agreed procedures. When all these procedures have been exhausted the outstanding debt is written off using the delegated authority of the Chief Finance Officer for debts up to £750 or by Cabinet for debts over £750. |
| 4.2 In Section 8 the current collection levels are reported. |
| 4.3 It is best practice to monitor the recovery procedures for outstanding debts regularly and, when appropriate, write off irrecoverable debts. |
| 4.4 Provision for irrecoverable debts is included both in the Collection Fund and the General Fund and writing off debts that are known to be irrecoverable ensures that staff are focussed on achieving good collection levels in respect of the recoverable debt. |
| 5. Other Options considered |
| 5.1 The Council has appointed a firm of bailiffs to assist in the collection of business rates and Council Tax and also has on line tracing facilities. It is not considered appropriate to pass the debts on to another agency. |

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| 6. Community impact <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i> |
| 6.1 <u>General</u> |
| 6.1.1 The application of predetermined recovery procedures ensures that everybody is treated consistently. |
| 6.1.2 Failure to collect any debt impacts on either the levels of service provision or the levels of charges. All available remedies are used to recover the debt before write off is considered. |
| 6.2 <u>Diversity</u> |
| 6.2.1 The provision of services by the Council applies to everyone in the area. |

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| 7. Consultation |
| 7.1 Management Team and Portfolio Holder for Resources and Efficiency. |

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| 8. Resource implications <i>(including asset management implications)</i> |
| 8.1 Provision is made in the accounts for non recovery, but the total amounts to be written off are as follows with full details shown in the attached exempt appendix. |

| 8.2 Sundry Debts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|----------------|-------------------------|-----------------------------|-----------------------------|------------------------|------------------------|---------|----------------|-------|-------------|-------|-----------|-----------|---------------|-------|------------|------|---------|-----------|---------------|-------|---------|-------|-----------|--------|----------------|--|------------|--|-----------|
| <table border="1"> <thead> <tr> <th>Year</th> <th>Debit</th> <th>% Collected to 30/04/08</th> <th>Amounts already written off</th> <th>As % of Debit</th> <th>*Amounts for write off</th> </tr> </thead> <tbody> <tr> <td>pre2006</td> <td>£34,980,081.65</td> <td>98.70</td> <td>£393,466.73</td> <td>1.125</td> <td>£3,312.00</td> </tr> <tr> <td>2006/2007</td> <td>£7,712,622.04</td> <td>99.41</td> <td>£27,808.35</td> <td>0.36</td> <td>£475.20</td> </tr> <tr> <td>2007/2008</td> <td>£8,768,899.90</td> <td>92.76</td> <td>£373.71</td> <td>0.004</td> <td>£4,621.44</td> </tr> <tr> <td>Totals</td> <td>£51,461,603.59</td> <td></td> <td>£421648.79</td> <td></td> <td>£8,408.64</td> </tr> </tbody> </table> | Year | Debit | % Collected to 30/04/08 | Amounts already written off | As % of Debit | *Amounts for write off | pre2006 | £34,980,081.65 | 98.70 | £393,466.73 | 1.125 | £3,312.00 | 2006/2007 | £7,712,622.04 | 99.41 | £27,808.35 | 0.36 | £475.20 | 2007/2008 | £8,768,899.90 | 92.76 | £373.71 | 0.004 | £4,621.44 | Totals | £51,461,603.59 | | £421648.79 | | £8,408.64 |
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*Exempt Appendix 1

9. Risk Assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 This has been identified as a low risk as there are resources allocated to meet items as detailed.

| Risk area | Inherent level of Risk (before controls) | Controls | Residual Risk (after controls) |
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| Debts are written off which could have been collected. | Medium | Extensive recovery procedures are in place to ensure that all possible mechanisms are exhausted before a debt is written off. | Low |

10. Legal or policy implications

10.1 The recovery procedures followed have been previously agreed; writing off uncollectable debt allows staff to focus recovery action on debt which is recoverable.

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| Ward(s) affected | All | Portfolio Holders | Resources and Efficiency |
| Background Papers | | Subject Area Finance | |