



Cabinet 20 January 2010

Revenues Collection Performance

<p>1. Summary and Reasons for Recommendations</p> <p>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 £1500), or by the Cabinet (for debts over £1500).</p> <p>1.2 The reasons for recommending the write offs are included in Exempt Appendices 1 to 3 attached to this report.</p> <p>1.3 The Collection Data in respect of National Non Domestic Rates (NNDR) and Council Tax are shown in Section 8 of the report.</p>
<p>2. Recommendations</p> <p>2.1 It is recommended that:-</p> <p>(a) the levels of collection performance achieved, as set out in Section 8, be noted.</p> <p>(b) the write off of the amounts detailed in the exempt appendices to this report be approved:-</p> <p>(i) 48 accounts for National Non Domestic Rates totalling £239,479.09; which brings the amount written off in business rates since the year 2000 to 0.008% of the total collected (exempt Appendix 1);</p> <p>(ii) 14 accounts for Council Tax totalling £17,332.00, which brings the amount written off in Council Tax since the year 2000 to 0.004% of the total collected (exempt Appendix 2); and</p> <p>(iii) 9 accounts for Sundry Debts (including housing and council tax benefit debts) totalling £30,280.40 (exempt Appendix 3).</p>
<p>3. Corporate Objectives</p> <p>3.1 The recommendations meet the following as contained within the Corporate Plan:-</p> <p>(a) Corporate Priority: <i>'To raise Corporate standards and efficiency'</i>.</p>

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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 £1,500), or by the Cabinet (for debts over £1,500).
4.2	It is best practice to monitor the recovery procedures for outstanding debts regularly and, when appropriate, write off irrecoverable debts.
4.3	The current collection levels are reported in Section 8. 2009/2010 has been a challenging year in which to recover debt. Given the economic climate, this will come as no surprise to Members. National Non Domestic Rates (NNDR) have proved particularly difficult, since a number of companies have gone into liquidation leaving sizeable business rate debts unpaid. Members are reminded that the collection of NNDR does not have a direct impact on the Council's own finances, since NNDR is collected on behalf of the Government.
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.
4.5	Members are reminded that in 2008/2009, St Edmundsbury was in the top 20 districts in the country for council tax collection.
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.
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.
7.	Consultation
7.1	Corporate Management Team (CMT), Management Team (MT) and the Portfolio Holder for Resources and Efficiency.

8. Resource implications (including asset management implications)

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 on the appropriate appendix.

8.2 National Non Domestic Rates (*Exempt Appendix 1)

Year	Debit	% Collected to 30/11/09	Amounts already written off	As % of Debit	*Amounts for write off
2000/01	£26,621,960.31	100.00	£567,128.08	2.13	£0.00
2001/02	£27,542,408.08	99.99	£469,825.74	1.70	£0.00
2002/03	£28,786,832.94	100.00	£274,073.43	0.01	£0.00
2003/04	£27,871,029.43	100.00	£387,595.13	1.39	£0.00
2004/05	£27,736,309.51	99.99	£203,224.42	0.73	£731.70
2005/06	£29,992,736.33	99.99	£305,869.81	1.01	£944.12
2006/07	£32,953,932.40	99.99	£165,955.72	0.50	£10,735.73
2007/08	£34,719,336.51	99.99	£43,230.48	0.12	£62,502.12
2008/09	£38,020,263.58	99.98	£11,128.09	0.02	£132,711.99
2009/10	£39,837,697.29	99.75	£1773.38	0.01	£31,853.43
Totals	£314,082,506.38		£2,429,804.28		£239,479.09

8.3 Council Tax (*Exempt Appendix 2)

Year	Debit	% Collected to 30/11/09	Amounts already written off	As % of Debit	*Amounts for write off
2000/01	£24,976,551.12	99.99	£234,547.34	0.94	£0.00
2001/02	£27,286,021.82	99.97	£243,671.43	0.89	£0.00
2002/03	£31,278,763.09	99.90	£228,437.98	0.73	£0.00
2003/04	£37,815,958.79	99.80	£292,318.58	0.77	£0.00
2004/05	£39,750,874.78	99.69	£305,116.81	0.77	£0.00
2005/06	£41,038,776.85	99.49	£131,699.50	0.32	£320.51
2006/07	£43,487,216.07	99.34	£103,613.42	0.23	£547.18
2007/08	£46,117,985.18	99.06	£57,331.43	0.12	£9,034.01
2008/09	£48,630,603.11	98.61	£44,710.53	0.09	£5,909.19
2009/10	£49,519,943.00	78.47 **	£8225.00	0.02	£1521.11
Totals	£389,902,693.81		£1,649,672.02		£17,332.00

** % collected as at 30 November 2009

8.4 The Council Tax arrears include £10,914.53, which is subject to bankruptcy proceedings, and £39,370.53, which is subject to charging order proceedings. A charging order is an order of the court which places a 'charge' on a debtor's property so that the Council can recover the debt at the time that property is sold.

8.5 Sundry Debts

8.6 Note that housing benefits write-offs are not included in the figures below.

Year	Debit	% Collected to 30/11/09	Amounts already written off	As % of Debit	*Amounts for write off
Pre 2006	£34,980,081.65	98.76	£397,542.44	1.136	£4628.98
2006/07	£7,712,523.08	99.44	£28,598.05	0.37	£7600.00
2007/08	£8,611,106.02	96.77	£2,907.84	0.03	£1571.43
2008/09	£8,601,360.99	90.73	£3,301.84	0.03	£8110.62
2009/10	£10,684,291.34	85.59	£162.42	0.001	
Totals	£70,589,363.08		£432,512.59		£21,911.03

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

9.1 Although the level of write-off has only presented a low risk in the past, the economic climate has increased the risk of non-recovery significantly.

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
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.

Wards affected	All	Portfolio Holder	Resources and Efficiency
Background Papers		Subject Area	Finance