



Cabinet 20 October 2010

Revenues Collection Performance and Write Offs

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 £1500) or by Cabinet (for debts over £1500).
- 1.2 The reasons for recommending the write offs are included in Exempt Appendices 1 and 2.
- 1.3 The Collection Data in respect of Council Tax and National Non Domestic Rates is shown in Section 8 of the report.

2. Recommendations

It is **RECOMMENDED** that:-

- 2.1 the levels of collection performance achieved, as set out in Section 8 of Report B260, be noted.
- 2.2 the write off of two Council Tax accounts totalling £5,912.74, detailed in Exempt Appendix 1 of Report B260, and 36 Business Rates accounts totalling £177,948.92, detailed in Exempt Appendix 2 of Report B260 be approved.

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'*.

Contact Details

Name
Telephone
E-mail

Portfolio Holder

John Griffiths
(01284) 757136
john.griffiths@stedsbc.gov.uk

Lead Officer

Liz Watts
(01284) 757252
liz.watts@stedsbc.gov.uk

<p>4. Key Issues</p> <p>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 Cabinet for debts over £1,500</p> <p>4.2 In Section 8 below the current collection levels are reported.</p> <p>4.3 It is best practice to monitor the recovery procedures for outstanding debts regularly and, when appropriate, write off irrecoverable debts.</p> <p>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.</p>
<p>5. Other Options considered</p> <p>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.</p>
<p>6. Community impact <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i></p> <p>6.1 <u>General</u></p> <p>6.1.1 The application of predetermined recovery procedures ensures that everybody is treated consistently.</p> <p>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.</p> <p>6.2 <u>Diversity</u></p> <p>6.2.1 The provision of services by the Council applies to everyone in the area.</p>
<p>7. Consultation</p> <p>7.1 Corporate Management Team and Management Team.</p>

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 Council Tax

Year	Debit As at 31/08/10	% Collected to 31/08/10	Amounts already written off	As % of Debit	*Amounts for write off
2000/01	£24,972,658.44	100.00	£267,609.48	1.07	£0.00
2001/02	£27,281,062.19	100.00	£260,764.33	0.96	£0.00
2002/03	£31,272,006.84	99.94	£285,976.85	0.91	£0.00
2003/04	£37,810,654.09	99.85	£324,491.12	0.86	£0.00
2004/05	£39,746,614.03	99.74	£404,815.35	1.02	£0.00
2005/06	£41,029,562.83	99.58	£133,576.27	0.33	£0.00
2006/07	£43,468,995.07	99.46	£107,873.17	0.25	£206.89
2007/08	£46,062,024.50	99.26	£82,134.92	0.18	£907.01
2008/09	£48,506,800.56	99.00	£72,630.76	0.15	£1,768.38
2009/10	£49,534,027.40	98.63	£21,855.99	0.04	£2,035.57
2010/11	£51,247,529.62	49.38 **	£1,518.48	0.003	£994.89
Total					£5,912.74

* Exempt Appendix 1

** % collected as at 31 August 2010

8.3 The Council Tax arrears include £10,927.53 which is subject to bankruptcy proceedings and £30,695.45 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.

8.4 National Non Domestic Rates (NNDR)

Year	Debit As at 31/08/2010	% Collected to 31/08/10	Amounts already written off	As % of Debit	*Amounts for write off
2000/01	£26,593,675.20	100.00	£567,370.97	2.13	£0.00
2001/02	£27,513,920.01	100.00	£468,666.33	1.70	£0.00
2002/03	£28,759,309.20	100.00	£273,276.43	0.95	£0.00
2003/04	£27,858,802.13	100.00	£386,755.23	1.39	£0.00
2004/05	£27,735,222.22	99.97	£203,609.85	0.73	£0.00
2005/06	£29,831,064.01	99.93	£307,386.38	1.03	£279.75
2006/07	£32,805,979.81	99.89	£177,233.92	0.54	£8,469.00
2007/08	£34,411,755.33	99.73	£109,364.90	0.32	£18,454.99
2008/09	£37,549,019.92	99.38	£152,863.46	0.41	£43,980.25
2009/10	£41,501,084.29	98.38	£34,294.23	0.08	£96,989.50
2010/11	£42,789,453.42	52.12 **	£37.78	0.00	£9,775.43
Total					£177,948.92

* Exempt Appendix 2

** Collected as at 31 August 2010

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

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