



## Cabinet 16 February 2011

### 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 £1,500) or by Cabinet (for debts over £1,500).
- 1.2 The reasons for recommending the write offs are included in Exempt Appendix1.

#### 2. Recommendations

It is **RECOMMENDED** that:-

- 2.1 the levels of collection performance achieved, as set out in Section 7 of Report B458, be noted; and
- 2.2 the write off of fourteen accounts for Sundry Debts totalling £15,564.11, detailed in Exempt Appendix 1 to Report B458, 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'*.

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| <b>4. Key Issues</b>   |
| 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. |
| 4.2 Current collection levels are reported in 7.2 of this report.  |
| 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.  |

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| <b>5. Community impact</b> <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i>  |
| 5.1 <u>General</u>  |
| 5.1.1 The application of predetermined recovery procedures ensures that everybody is treated consistently.  |
| 5.1.2 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. |
| 5.2 <u>Diversity</u>  |
| 5.2.1 The provision of services by the Council applies to everyone in the area.   |

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| <b>6. Consultation</b>                             |
| 6.1 Corporate Management Team and Management Team. |

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| <b>7. Resource implications</b> <i>(including asset management implications)</i>  |
| 7.1 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 Exempt Appendix 1. |

**7.2 Sundry Debts**

| Year          | Debit<br>As at<br>31/12/2010 | %<br>Collected<br>to<br>31/12/10 | Amounts<br>already written<br>off | As % of<br>Debit | Amounts<br>proposed<br>for write off |
|---------------|------------------------------|----------------------------------|-----------------------------------|------------------|--------------------------------------|
| Pre2008       | £51,131,425.04               | 99.06                            | £442,680.82                       | 0.87             | £3499.42                             |
| 2008/09       | £8,859,000.73                | 97.90                            | £6967.55                          | 0.08             | £4540.79                             |
| 2009/10       | £15,733,682.73               | 97.87                            | £3403.87                          | 0.02             | £7523.90                             |
| 2010/11       | £10,351,197.77               | 80.71                            | £133.72                           | 0.001            | £0.00                                |
| <b>Totals</b> | <b>£86,075,306.27</b>        |                                  | <b>£453,185.96</b>                |                  | <b>£15,564.11</b>                    |

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

| Risk area  | Inherent level of Risk<br>(before controls) | Controls  | Residual Risk<br>(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                               |

**9. Legal or policy implications**

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

|                          |     |                         |                          |
|--------------------------|-----|-------------------------|--------------------------|
| <b>Wards affected</b>    | All | <b>Portfolio Holder</b> | Resources and Efficiency |
| <b>Background Papers</b> |     | <b>Subject Area</b>     | Finance                  |