



Cabinet 1 February 2012

Revenues Collection Performance and Write-Offs

<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 £1,500) or by Cabinet (for debts over £1,500).</p> <p>1.2 The specific reasons for recommending each write off are included in Exempt Appendices 1, 2, 3 and 4.</p> <p>1.3 The Collection Data in respect of Council Tax, National Non Domestic Rates and Sundry Debts is shown in Section 8 of this report.</p>
<p>2. Recommendations</p> <p>2.1 The levels of collection performance achieved, as set out in Section 8, be noted.</p> <p>2.2 The write off of the amounts detailed in the exempt appendices to Report C331 be approved as follows:-</p> <p>Exempt Appendix 1: 24 accounts for Council Tax totalling £63,130.65; Exempt Appendix 2: 29 accounts for Business Rates totalling £167,671.82; Exempt Appendix 3: 4 accounts for Sundry Debts totalling £7,854.97; and Exempt Appendix 4: 2 Housing Benefit overpayments totalling £8,212.94.</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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<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 Current collection levels are reported in Section 8.</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>4.5 Where an overpayment of Housing Benefit has occurred as a result of an error made by the local authority, it may be recovered if the authority can show that the recipient of the overpayment could reasonably have been expected to know that they had been overpaid at the time the overpayment was made. Officers consider that in both proposed write-off cases, the claimants would not have been aware of the overpayment at the time the payments were made and that the overpayments should therefore be written off.</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>5.2 In terms of overpayment of Housing Benefits, the only other option is to attempt to recover the overpayments from the claimants, which could have included involving the full appeal rights contained within benefits administration law. Officers consider that on balance, if the cases were heard by the Appeals Tribunal, the authority would lose the appeals.</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 Management Team and Portfolio Holder for Performance and Resources.</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 in Exempt Appendices 1, 2 and 3.

8.2 Council Tax Outstanding Debt and Proposed Write Offs

Year	Outstanding Debt as at 30/11/11	Amounts proposed for write off	Remaining balance to collect
2005/06	£149,285.66	£3531.79	£145,753.87
2006/07	£210,669.38	£10,038.23	£200,631.15
2007/08	£279,435.73	£15,320.37	£264,115.36
2008/09	£381,105.61	£17,222.06	£363,883.55
2009/10	£434,974.55	£12,447.17	£422,527.38
2010/11	£642,044.89	£4367.31	£637,677.58
2011/12	£8,025,317.30	£203.72	£8,025,113.58
Totals	£10,122,833.12	£63,130.65	£10,059,702.47

8.3 Non Domestic Rates Outstanding Debt and Proposed Write Offs

Year	Debit As at 16/12/11	Amounts for write off	Remaining balance to collect
2005/06	£6314.62	£649.42	£5665.20
2006/07	£13,486.58	£1319.07	£12,167.51
2007/08	£44,069.39	£11,745.20	£32,324.19
2008/09	£181,793.08	£16,028.53	£165,764.55
2009/10	£334,512.09	£51,070.61	£283,441.48
2010/11	£438,131.86	£68,375.45	£369,756.41
2011/12	£5,837,340.89	£18,483.54	£5,818,857.35
Totals	£6,855,648.51	£167,671.82	£6,687,976.69

8.4 Sundry Debts Outstanding Debt and Proposed Write Offs

Year	Debit As at 16/12/11	Amounts for write off	Remaining balance to collect
Pre 2008/09	£707,016.75	£0.00	£707,016.75
2009/10	£804,876.89	£2375.00	£802,501.89
2010/11	£131,505.10	£1367.47	£130,137.63
2011/12	£1,221,215.30	£4112.50	£1,217,102.80
Totals	£2,864,614.04	£7,854.97	£2,856,759.

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)
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 Holders	Performance and Resources
Background Papers		Subject Area Finance	