



Cabinet 21 November 2012

Revenues Collection Performance and Write-Offs (Nov12/01P)

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 specific reasons for recommending each write off are included in Exempt Appendices 1, 2, and 3.
- 1.3 The Collection Data in respect of National Non Domestic Rates and Sundry Debts is shown in Section 8 of the report.

2. Recommendation

- 2.1 The write off of the amounts detailed in the exempt appendices to Report D208 be **APPROVED** as follows:

Exempt Appendix 1: 15 accounts for Business Rates totalling £170,592.84;
Exempt Appendix 2: 1 Sundry Debtor account totalling £48,872.45; and
Exempt Appendix 3: 6 Housing Benefit overpayments totalling £12,948.20.

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3. Corporate priorities

3.1 The recommendation meets the following, as contained within the Corporate Plan:

Corporate priority: *'Working together for an efficient Council'*.

4. Key issues

4.1 The Revenues Section collects outstanding debts in accordance with either statutory guidelines or Council agreed procedures.

4.2 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.

4.3 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.

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.

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 online tracing facilities. It is not considered appropriate to pass the debts on to another agency.

5.2 It should be noted that in the event that a written-off debt become recoverable, the amount is written back on, and enforcement procedures are re-established. This might happen, for example, if someone has gone away with no trace, and then they are unexpectedly 'found' again, through whatever route.

6. Community impact

6.1 **Crime and disorder impact** *(including Section 17 of the Crime and Disorder Act 1998)*

6.1.1 None.

6.2 **Diversity and equality impact** *(including the findings of the Equality Impact Assessment)*

6.2.1 The application of predetermined recovery procedures ensures that everybody is treated consistently.

6.2.2 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.

6.2.3 The provision of services by the Council applies to everyone in the area.

6.3 **Sustainability impact** *(including completing a Sustainability Impact Assessment)*

6.3.1 None.

6.4 **Other impact** *(any other impacts affecting this report)*

6.4.1 None.

7. Consultation

7.1 Joint Leadership Team and Portfolio Holder for Performance and Resources.

8. **Financial and 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 **Non Domestic Rates Outstanding Debt and Proposed Write Offs**

Year	Debt As at 12/10/2012	Amounts Proposed for write off	Remaining balance to collect
2005/06	£5649.43	-	£5649.43
2006/07	£11,193.47	-	£11,193.47
2007/08	£24,924.59	-	£24,924.59
2008/09	£40,893.74	-	£40,893.74
2009/10	£161,855.30	£2,962.98	£158,892.32
2010/11	£205,805.04	£45,719.35	£160,085.69
2011/12	£568,514.13	£92,937.22	£475,576.91
2012/13	£14,112,691.66	£28,973.29	£14,083,718.37

8.3 **Sundry Debts Outstanding Debt and Proposed Write Offs**

Year	Debit As at 10/10/2012	Amounts Proposed for write off	Remaining balance to collect
Pre 2009	£9,008.35	£0.00	£9,008.35
2009/10	£30,732.25	£4,134.84	£26,597.41
2010/11	£119,105.40	£24,026.99	£95,078.41
2011/12	£134,861.28	£20,710.62	£114,150.66
2012/13	£1,461,146.07	0.00	£1,461,146.07

9. Risk/opportunity 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 and 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.

11. Wards affected

11.1 All.

12. Background papers

12.1 None.

13. Documents attached

13.1 Exempt Appendices 1, 2, 3.