

Cabinet



Forest Heath
District Council

Title of Report:	Revenues Collection Performance and Write-Offs	
Report No:	CAB/FH/16/048	
Report to and date:	Cabinet	25 October 2016
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources, Governance and Performance Telephone: 07711 457657 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To consider the current revenue collection performance and to consider writing off outstanding debts, as detailed in the exempt appendices.	
Recommendation:	The write-off of the amounts detailed in the exempt appendices to this report be approved, as follows: 1. Exempt Appendix 1: Council Tax totalling £5,709.68 2. Exempt Appendix 2: Business Rates totalling £74,715.96 3. Exempt Appendix 3: Overpayment of Housing Benefit totalling £5,809.18	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input checked="" type="checkbox"/> No, it is not a Key Decision - <input type="checkbox"/> <i>(a) A Key Decision means an executive decision which, pending any further guidance from the Secretary of State, is likely to:</i> <i>(i) Result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme.</i>	

<p><i>The key decision made as a result of this report will be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.</i></p>			
Consultation:		Leadership Team and the Portfolio Holder for Resources and Performance have been consulted with on the proposed write-offs.	
Alternative option(s):		See paragraphs 2.1 and 2.2	
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • See paragraphs 3.1 to 3.3	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> The recovery procedures followed have been previously agreed; writing off uncollectable debt allows staff to focus recovery action on debt which is recoverable.	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> • The application of predetermined recovery procedures ensures that everybody is treated consistently. • 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. • The provision of services by the Council applies to everyone in the area. 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
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
Ward(s) affected:		All wards will be affected	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	

Documents attached:

1. Exempt – Appendix 1–Council Tax totalling £5,709.68
 2. Exempt – Appendix 2 – Business Rates totalling £74,715.96
 3. Exempt – Appendix 3 – Overpayment of Housing Benefit totalling £5,809.18
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1. Key issues and reasons for recommendation(s)

- 1.1 The Revenues Section collects outstanding debts in accordance with either statutory guidelines or Council agreed procedures.
- 1.2 When all these procedures have been exhausted the outstanding debt is written off using the delegated authority of the Head of Resources and Performance for debts up to £2,499.99 or by Cabinet for debts over £2,500.00.
- 1.3 It is best practice to monitor the recovery procedures for outstanding debts regularly and, when appropriate, write off irrecoverable debts.
- 1.4 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.
- 1.5 It should be noted that the Council is working with the Local Government Association (LGA) for legislation changes which will support the prevention of businesses building up thousands of pounds in unpaid business rates. With support from the Council, the LGA recently raised the profile of the issue through a press release which called for new legislation to stop phoenix companies from being created with no obligation to pay their old company's business rates debts. In addition to this, they also called for changes to licensing powers which would allow the suspension of an existing premises licence or refusal of a new application. The press release can be viewed here: http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7959143/NEWS

2. Alternative options

- 2.1 The Council currently uses the services of the ARP Enforcement Agency 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.
- 2.2 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.

3. Financial implications and collection performance

- 3.1 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, 2 & 3.
- 3.2 As at 30 September 2016, the total National Non Domestic Rates (NNDR) billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (as the billing Authority) is £24m per annum. The collection rate as at 30 September 2016 was 55.71% against a profiled target of 55.91%.

- 3.3 As at 30 September 2016, the total Council Tax billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (includes the County, Police and Parish precept elements) is just over £27.5m per annum. The collection rate as at 30 September 2016 was 56.00% against a profiled target of 56.42%.