

# Revenues Collection Performance and Write Offs

<b>Report number:</b>	<b>CAB/WS/21/011</b>	
<b>Report to and date(s):</b>	<b>Cabinet</b>	9 February 2021
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- Decisions Plan:** **The decision made as a result of this report will usually 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.**
- Wards impacted:** **All wards**
- Recommendation:** **The write-off of the amounts detailed in the exempt appendices to Report number: CAB/WS/21/011, be approved, as follows:**
- 1. Exempt Appendix 1: business rates totalling £29,946.61**
  - 2. Exempt Appendix 2: West Suffolk Council sundry debts totalling £43,656.53**

## **1. Context to this report**

- 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 Assistant Director (Resources and Performance) for debts up to £4,999.99 or by Cabinet for debts over £5,000.00.
- 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 As at 1 January 2021, the council tax percentage of debt written off during 2020 to 2021 for all previous years is 2.18 percent.
- 1.6 As at 1 January 2021, the business rates percentage of debt written off during 2020 to 2021 for all previous years is 4.3 percent.

## **2. Proposals within this report**

- 2.1 To review the current revenue collection performance and to consider writing off outstanding debts, as detailed in the exempt appendices.
- 2.2 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 for business rates totalling £29,946.61 and Exempt Appendix 2 for sundry debt totalling £43,656.53.
- 2.3 As at 1 April 2020, the total National Non-Domestic Rates (NNDR) billed by Anglia Revenues Partnership (ARP) on behalf of West Suffolk Council (as the billing authority) is £41 million per annum. The collection rate as at 1 January 2021 was 83.67 percent against a profiled target of 82.28 percent.
- 2.4 It should be noted that reliefs introduced by central Government in response to the COVID-19 pandemic (many of which provided 100 percent relief for 2020 to 2021) has reduced the amount of debt to be collected and in turn has contributed to a slight improvement on the collection rate to date.

- 2.5 As at 1 April 2020, the total council tax billed by Anglia Revenues Partnership on behalf of West Suffolk Council (includes the County Council, police and parish precept elements) is £103.5 million per annum. The collection rate as at 1 January 2021, was 82.78 percent against a profiled target of 83.77 percent.
- 2.6 West Suffolk residents seeking support with paying their council tax because of the impact of the COVID-19 pandemic were offered the opportunity to reprofile their payment plans. This support will impact the profiled collection rate to date. However, the effect of the reprofiling will reduce as the year progresses.
- 2.7 The suspension of magistrate court hearings for Liability Order applications has impacted on collection and recovery of council tax and business rates this financial year. However, whilst we were unable to make applications for Liability Orders, accounts have been reviewed and a series of statutory reminders, final notices and soft reminders were sent for outstanding instalments. The Magistrates Court is now open and the first Liability Order Hearing has taken place. However, the number of applications for hearings has been reduced due to the limit imposed on the number of attendees by the Court.

### **3. Alternative options that have been considered**

- 3.1 There is an extensive and supportive recovery process prior to the engagement of an enforcement agency. 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 online tracing facilities. Although this service was suspended during the lockdown and up to more recently, enforcement is now reinstated in line with Government guidance. It is not considered appropriate to pass the debts on to another agency.
- 3.2 It should be noted that in the event that a written-off debt becomes 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.

### **4. Consultation and engagement undertaken**

- 4.1 Leadership Team and the Portfolio Holder for Resources and Performance have been consulted with on the proposed write-offs.

### **5. Risks associated with the proposals**

- 5.1 Low Risk - Debts are written off which could have been collected

Control - Extensive recovery procedures are in place to ensure that all possible mechanisms are exhausted before a debt is written off.

Medium Risk – Impact of the COVID-19 pandemic on recovery of debts and the increase in bankruptcies, IVA, CVAs are likely to impact this years' collection rates. Close monitoring is taking place and support provided where possible.

## **6. Implications arising from the proposals**

- 6.1 Financial as above
  - 6.2 Legal Compliance
    - the recovery procedures followed have been previously agreed; writing off uncollectable debt allows staff to focus recovery action on debt which is recoverable.
  - 6.3 Personal Data Processing
    - no changes to the way we process personal data.
  - 6.4 Equalities
    - 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.
  - 6.5 Crime and Disorder
  - 6.6 Environment or Sustainability
  - 6.7 HR or Staffing
  - 6.8 Changes to existing policies
  - 6.9 External organisations (such as businesses, community groups)
- No significant implications on 6.1 – 6.8 as a result of this report

## **7. Appendices referenced in this report**

- 7.1 Exempt Appendix 1 – Business Rates  
Exempt Appendix 2 – Sundry Debt

## **8. Background documents associated with this report**

- 8.1 None