

# Cabinet



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Revenues Collection Performance and Write-Offs</b>	
<b>Report No:</b>	<b>CAB/FH/15/023</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	2 June 2015
<b>Portfolio holder:</b>	To be confirmed at the Annual Council meeting on 27 May 2015	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance Telephone: 01638 719245 Email: <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To consider the current revenue collection performance and to consider writing off outstanding debts, as detailed in the exempt appendices.	
<b>Recommendation:</b>	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 £4,506.78 2. Exempt Appendix 2: Business Rates totalling £84,870.46 3. Exempt Appendix 3: Housing Benefit Overpayments totalling £7,953.64	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input checked="" type="checkbox"/></p> <p>No, it is not a Key Decision - <input type="checkbox"/></p> <p>(a)(ii) Result in any new expenditure, income or savings of more than £50,000 in relation to the Council's revenue budget or capital programme.</p>	
<p><i>The decisions made as a result of this report will usually be published within <b>48 hours</b> and cannot be actioned until <b>five clear working days of the publication of the decision</b> have elapsed. This item is included on the Decisions Plan.</i></p>		
<b>Consultation:</b>	Leadership Team and the Portfolio Holder for Resources and Performance have been consulted with on the proposed write-offs.	
<b>Alternative option(s):</b>	See paragraphs 2.1 and 2.2	

<b>Implications:</b>			
Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • See paragraphs 3.1 to 3.3	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		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 <b>equality</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> <li>• The application of predetermined recovery procedures ensures that everybody is treated consistently.</li> <li>• Failure to collect any debt impacts on either the levels of service provision or the levels of charges.</li> <li>• All available remedies are used to recover the debt before write off is considered.</li> <li>• The provision of services by the Council applies to everyone in the area.</li> </ul>	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (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
<b>Ward(s) affected:</b>		All wards will be affected	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<ol style="list-style-type: none"> <li>1. Exempt – Appendix 1 – Council Tax write offs</li> <li>2. Exempt – Appendix 2 - Business Rates write offs</li> <li>3. Exempt – Appendix 3 – Housing Benefit Overpayments write offs</li> </ol>	

## **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.

## **2. Alternative options**

- 2.1 The Council has appointed a firm of bailiffs to assist in the collection 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 Appendices 1.
- 3.2 As at 30 April 2015, the total National Non Domestic Rates (NNDR) billed by Anglia Revenues Partnership on behalf of Forest Heath District Council (as the billing Authority) is £22.59m per annum. The collection rate as at 30 April 2015 was 11.80% against a profiled target of 11.80%
- 3.3 As at 30 April 2015, 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 £25m per annum. The collection rate as at 30 April 2015 was 10.44% against a profiled target of 11.08%.