

Agenda Item No: 10
Report To: CABINET
Date: 14 JULY 2016



Report Title: Revenues & Benefits Recommended Write-Offs Schedule
Report Author: Peter Purcell – Revenues & Benefits Manager

Portfolio Holder: Cllr Shorter, Portfolio Holder for Finance, Budget & Resource Management

Summary:	This report proposes the formal write off of 122 debts totalling £149,109.45. The proposals are in line with the Council's Revenues & Benefits Service Write Off Policy. Existing bad debt provisions already more than cover the sums involved.
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Key Decision: No
Affected Wards: None

Recommendations : **The Cabinet be asked to:-**
(i) Note the action that accounts totalling £8,929.91 have been written off under the delegated powers (Financial Regulations 11.1)
(ii) Approve the write offs listed in the Exempt Appendices totalling £140,179.54

Policy Overview: The regular review and writing off of un-collectable debts is part of strong financial management.

Financial Implications: None – provision for bad debts has been made in the final accounts.

Risk Assessment No

Exemption Clauses **The Exempt Appendix is Not for Publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972**

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Purpose of the Report

1. To advise Members of debts written-off and obtain approval to write off further individual debts of over £1,000.00 listed in the Exempt Appendices.

Issues to be Decided

2. To agree the write off of uncollectable debts.

Background

3. The write offs being recommended are in accordance with the Revenues & Benefits Service Write Off Policy that was approved by the Executive Committee on 20 March 2003. Over recent years, due to the economic climate there has been a significant increase in NNDR (Business Rates) write offs, the majority of these relate to companies that have ceased trading.

Write Offs

4. Details of the write-offs being recommended are listed in the Exempt Appendices to this report and are summarised along with the debts written off under delegated powers by the Head of Finance as follows:

	Value of debts written off under delegated powers £	Value of debts recommended for write off (see attached appendices) £	Provision for Bad Debts at 1.4.16 £	Provision for Bad Debts Balance (Current) £	Value of outstanding Debt at 1.4.16 £
Council Tax	1,970	8,441	2,415,831	2,405,420	3,694,075
NNDR	2,314	117,765	783,154	663,075	1,677,951
HB overpaymts	2,875	13,973	1,207,956	1,191,108	3,019,890
Sundry Debtors	1,771	0	133,488	131,717	419,786
Housing Rents	0	0	728,433	728,433	815,244
TOTAL	8,930	140,179	5,268,862	5,119,753	9,626,946

5. The write offs do not have an immediate financial effect on the current year's budget as the bad debt provision is greater than the write-off total. However, the making of that provision did have a cost implication at the time the provision was made; those being sundry debtors at full cost, council tax approximately 10% cost (90% financed by Kent County Council, Police and Crime Commissioner of Kent & Kent Fire Authority), housing benefit overpayments 60% cost due to existing subsidy arrangements and NNDR 40% (50% financed by the Government and 10% by Kent County Council). The Housing accounts are provided for in full in the Housing Revenue Account.
6. Under delegated powers (Financial Regulations 1.1) the Head of Finance has written off 74 Council Tax accounts (£1,969.79), 11 NNDR accounts (£2,313.90), 9 Housing Benefit Overpayment accounts (£2,874.65) and, 4 Sundry Debtor accounts (£1,771.57).

Other Options Considered

7. In most cases a number of methods of collection were attempted before the debt was recommended for write off.

Consultation

8. Head of Finance and Cllr N Shorter Portfolio Holder.

Implications Assessment

9. The financial implications are given above.

Handling

10. Debts to be written off are considered on an on-going basis and reported to Committee regularly.

Conclusion

11. The Service's Write Off policy has been followed and in many cases a number of methods of recovery followed before the debts have been recommended for write off.

Portfolio Holder's Views

12. This is one of a regular series of reports to Cabinet showing recent write-offs from bad debts over £1,000.00. The total amount of £149,109.45 (which includes all debts over and under £1,000.00) is a significant amount however this should be considered in the context that £130m of debt is raised each financial year and the amount written off each year is less than half of one percent.

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