

Agenda Item No: 12
Report To: CABINET
Date of Meeting: 9 FEBRUARY 2017
Report Title: Revenues & Benefits Recommended Write-Offs Schedule
Report Author & Job Title: 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 446 debts totalling £332,469.31. The proposals are in line with the Council's Revenues & Benefits Service Write Offs policy. Existing bad debt provisions already more than cover the sums involved.
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Key Decision: NO

Significantly Affected Wards: None

Recommendations: **The Cabinet is recommended to:-**

- (i) Note the action that accounts totalling £56,216.86 have been written off under the delegated powers (Financial Regulations 11.1)**
- (ii) Approve the write offs listed in the Exempt Appendices totalling £276,252.45**

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.

Legal Implications None

Equalities Impact Assessment Not Required because it is done as part of the budget.

Other Material Implications: None

Exempt from Publication: **YES : The Exempt Appendix is Not for Publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.**

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Report Title: Revenues & Benefits Recommended Write-Offs Schedule

Introduction and Background

- 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.

Proposal/Current Position

- 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 appendicies) £	Provision for Bad Debts at 1.4.16 £	Provision for Bad Debts Balance (Current) £	Value of outstanding Debt at 1.4.16 £
Council Tax	42,513	48,332	2,415,831	2,314,575	3,694,075
NNDR	12,037(cr)	104,019	783,154	571,093	1,677,951
HB overpaymts	5,843	35,658	1,207,956	1,149,607	3,019,890
Sundry Debtors	967	4,897	133,488	125,853	419,786
Housing Rents	18,930	83,347	728,433	626,156	815,244
TOTAL	56,216	276,253	5,268,862	4,787,284	9,626,946

Implications and Risk Assessment

2. 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.
3. Under delegated powers (Financial Regulations 1.1) the Head of Finance has written off 182 Council Tax accounts (£42,513.41), 92 NNDR accounts (£12,037.15cr), 32 Housing Benefit Overpayment accounts (£5,843.21), 4 Sundry Debtor accounts (£967.12) and 55 Housing Revenue Accounts (£18,930.27)..

Equalities Impact Assessment

4. Not required as it is done as part of the budget.

Consultation Undertaken

5. Head of Finance
6. Councillor N Shorter Portfolio Holder

Other Options Considered

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

Reasons for Supporting Option Recommended

8. Debts to be written off are considered on an on-going basis and reported to Committee regularly
9. 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.

Next Steps in Process

10. Members are requested to agree the write off of the uncollectable debts.

Conclusion

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

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 £332,469.31 (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.

Contact and Email

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