

Agenda Item No: 6

Report To: CABINET

Date: 11 JANUARY 2018

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 491 debts totalling £391,454.75. 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.
-----------------	--

Key Decision: No

Affected Wards: None

Recommendations : **The Cabinet be asked to:-**

- 1. Note the action that accounts totalling £63,506.67 have been written off under the delegated powers (Financial Regulations 11.1)**
- 2. Approve the write offs listed in the Exempt Appendices totalling £327,948.08.**

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Exemption Clauses **The Exempt Appendix is Not for Publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972**

Contacts peter.purcell@ashford.gov.uk

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 Director of Finance & Economy as below:

	Value of debts written off under delegated powers £	Value of debts recommended for write off (see attached appendices) £	Provision for Bad Debts at 1.4.17 £	Provision for Bad Debts Balance (Current) £	Value of outstanding Debt at 1.4.17 £
Council Tax	16,534	27,897	1,142,277	1,097,846	3,771,498
NNDR	1,157(cr)	208,866	260,807	53,098	1,075,376
HB overpaymts	10,072	36,782	1,258,759	1,211,905	3,146,898
Sundry Debtors	10,155	2,701	118,499	105,643	537,241
Housing Rents	27,903	51,702	620,484	540,879	665,755
TOTAL	63,507	327,948	3,400,826	3,009,371	9,196,768

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 Director of Finance & Economy has written off 116 Council Tax accounts (£16,534.33), 29 NNDR accounts (£1,157.31cr), 36 Housing Benefit Overpayment accounts (£10,072.32), 32 Sundry Debtor accounts (£10,155.38) and 202 Housing Revenue Accounts (£27,901.95).

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. Director of Finance & Economy 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 £391,454.75 (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:	Peter Purcell
Email:	Peter.Purcell@ashford.gov.uk