

BROMSGROVE DISTRICT COUNCIL

CABINET

5th December 2012

QUARTERLY MONITORING OF WRITE OFFS – 1ST APRIL – 30TH SEPT 2012

Relevant Portfolio Holder	Councillor Hollingworth
Portfolio Holder Consulted	
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All

1. SUMMARY OF PROPOSALS

- 1.1 Members are requested to consider the action taken by officers with respect to the write off of debts during the first half of 2012/13 and to note the profile and/or level of outstanding debt.

2. RECOMMENDATIONS

The Cabinet is requested to RESOLVE that:

Subject to any comments, the contents of the report be noted.

3. KEY ISSUES

- 3.1. Members approved a revised Write Off Policy which changed the process for the reporting and approval process for the writing off of debts due to the Council. The revised Policy requires officers to report to members of the actual level of write offs and the profile of outstanding debt.

- 3.2. The current bad debts provisions are as follows:

	£
Housing Benefit	521,480
Council Tax	227,470
NDR	12,400
Sundry Debtors	<u>46,740</u>
Total	<u>808,090</u>

Financial Implications

- 3.3 The current bad debt provisions are adequate in relation to level of write offs and the level of outstanding debt.

Legal Implications

- 3.4. There are no legal implications.

Service / Operational Implications

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3.5 No direct implications.

Customer / Equalities and Diversity Implications

3.6. No direct implications.

4. RISK MANAGEMENT

There are no risks identified.

5. APPENDICES

Appendix 1 – Write offs 1st April 2012 – 30th Sept 2012

Appendix 2 - Aged Debt Profile for Sundry Debts Arrears
Council Tax Arrears and Business Rates Arrears as at 30th
Sept 2012.

Appendix 3 – Write off of Overpaid Housing Benefit 1st April 2012 – 30th
Sept 2012

6. BACKGROUND PAPERS

There are no background papers with this report.

AUTHORS OF REPORT

Name: Teresa Kristunas, Head of Finance & Resources
E Mail: t.kristunas@bromsgroveandredditch.gov.uk
Tel: (01527) 881748 (internal ext 3295)

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Appendix 1

Write Offs of Council Tax and Non-Domestic Rates
1st April 2012 – 30th Sept 2012

Council Tax	Reason	01.04.12 to 30.09.12
		£
WOTH	Write Off Other	90,402.28
WCOS	Write Off Costs	5,392.06
SBWO	Small Balance Write Off	<u>40.54</u>
	Total	<u>95,834.88</u>

NDR	Reason	01.04.12 to 30.09.12
		£
WOBF	Write Off Bailiff Fees	57.00
WOFF	Write Off	147,116.18
WOLC	Write Off Liab Costs	15.00
WOSC	Write Off Summons Costs	<u>3,577.21</u>
	Total	<u>150,765.39</u>

Note: Future reports will contain more detail on the reasons for write off.
No debts were written off during the second quarter.

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**Write Offs of Sundry Debtors -
1st April 2012 to 30th Sept 2012**

Sundry Debts	Reason	01/04/2012- 30/09/2012 £
GA	Gone Away	826.77
LB	Liquidation/Bankrupt	51.00
NFAV	No further Action due to value	8,984.57
D	Deceased	187.34
AWO	Auto write off under £1.00	4.61
LA	Legal Advised Write Off	2,255.72
PPAW	Part paid advised Write Off	4,580.11
OP	Overpaid no forwarding address	-680.93
	Total	16,209.19

Appendix 2

Aged Debt profile for Sundry Debts - 1st April 2012 to 30th Sept 2012

Age	Sundry Debts
	£
1 – 30 days	284,151.45
31 - 60 days	19,102.21
61 – 90 days	13,622.20
90 days +	92,443.18
Total	409,319.04

Council Tax Arrears

**Council Tax Arrears Analysis as at
30/09/2012**

Year	Total £	Annual debit £
1997/98	4,216	
1998/99	5,959	
1999/00	13,512	25,836,407
2000/01	25,207	26,419,700
2001/02	34,423	29,487,929
2002/03	50,983	35,962,692
2003/04	48,671	40,922,548
2004/05	54,600	41,770,011
2005/06	98,169	44,059,868
2006/07	139,574	46,683,333
2007/08	141,924	49,061,780
2008/09	129,202	51,592,006
2009/10`	144,238	53,577,097
2010/11	258,852	55,298,276
2011/12	<u>412,372</u>	55,399,069
	<u>1,561,900</u>	

Note: the above arrears figures will reduce over time.

Non Domestic Rates Arrears

**Non Domestic Rates Arrears Analysis
As at 30/09/2012**

Year	Total £	Annual Debit £
1997/98	3,586	
1998/99	2,572	
1999/00	1,688	
2000/01	195	17,415,978
2001/02	2,163	17,232,868
2002/03	1,018	17,175,162
2003/04	1,035	17,345,890
2004/05	1,141	17,854,642
2005/06	20,845	18,803,202
2006/07	38,854	19,823,744
2007/08	109,195	20,822,010
2008/09	56,831	23,586,234
2009/10	198,523	23,829,603
2010/11	205,808	23,233,864
2011/12	<u>377,776</u>	25,205,206
	<u>1,021,230</u>	

Note: the above arrears figures will reduce over time.

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Appendix 3

Write off of Overpaid Housing Benefit – 1st April 2012 to 30th Sept 2012

Housing Benefit Write-Offs		
Reason	Amount £	No. of cases
Possible Write back	Nil	Nil
Deceased	195.53	2
Debt Relief Order	166.00	1
Bankruptcy	1,802.48	1
Person Abroad	Nil	Nil
Hardship/Compassion	Nil	Nil
Not reasonable to recover	1,976.50	1
Uneconomic to recover	1,758.89	13
Debt matching	Nil	Nil
Cannot trace	68.08	2
No prospect of recovery	Nil	Nil
Old debt – recovery options expired	3,313.53	5
In prison	1,056.10	1
Totals	£10,337.11	26