

## **Overview & Scrutiny Board**

**24<sup>th</sup> March 2014**

### **QUARTERLY MONITORING OF WRITE OFFS – 1<sup>ST</sup> OCTOBER 2013 – 30<sup>TH</sup> DECEMBER 2013**

Relevant Portfolio Holder	Councillor Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda de Warr, Head of Customer Access and Financial Support
Wards Affected	All

#### **1. SUMMARY OF PROPOSALS**

- 1.1 This report summarises the write off of debts during the third quarter of 2013/14 along with the profile and level of outstanding debt.

#### **2. RECOMMENDATIONS**

**That subject to any comments, the Overview & Scrutiny Board note the contents of the report.**

#### **3. KEY ISSUES**

- 3.1. The current Write Off Policy requires officers to report to members the actual level of write offs and the profile of outstanding debt.

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

	£
Council Tax	139,268
NDR	19,488
Sundry Debtors	<u>43,987</u>
Total	202,743

#### **Financial Implications**

- 3.3 Details of written off debts during the period for Council Tax, Non Domestic Rates, and Sundry Debts, including a break down of the number of debtors, and Overpaid Housing Benefit are attached at Appendix 1. A total of £55,353 of unrecoverable debt was written off during this quarter.
- 3.4 An age profile of the outstanding debts at the end of each quarter is attached at Appendix 2. The data for the same periods in 2012/13 are provided for comparative purposes. The outstanding debt at the end of the first quarter is higher than in the following quarter due to the timing of the garden waste collection service invoicing.
- 3.5 An analysis of Council Tax and Non Domestic Rates arrears is attached at Appendix 3. It is important to note that the outstanding arrears reduce

over the course of the year and therefore figures for 2013/14 cannot be presented until after the end of the financial year.

- 3.6 As from the 1<sup>st</sup> April 2013 the local authority is required to make arrangements for the way in which it accounts for bad debt provision for Non Domestic Rates. Prior to this date Non Domestic rates were collected on behalf of Central Government and redistributed back to local authorities after taking this into account. These arrangements are not due to be completed until the end of the current fiscal period, therefore the financial implications cannot be fully stated at this time. The amount shown above accounts for costs only.
- 3.7 It is not possible to state in this quarter whether or not the Council Tax provision is adequate and the financial implications cannot be fully stated until quarter 4.

**Legal Implications**

- 3.8 There are no legal implications.

**Service / Operational Implications**

- 3.9 No direct implications.

**Customer / Equalities and Diversity Implications**

- 3.10. No direct implications.

**4. RISK MANAGEMENT**

- 4.1 No specific risks identified.

**5. APPENDICES**

Appendix 1- Write offs 1<sup>st</sup> October 2013 – 31<sup>st</sup> December 2013  
Appendix 2- Aged Debt Profile for Sundry Debts Arrears as at 31<sup>st</sup> December 2013  
Appendix 3 - Council Tax and Non Domestic Rates Arrears Analysis

**6. BACKGROUND PAPERS**

There are no background papers with this report.

**AUTHORS OF REPORT**

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**BROMSGROVE DISTRICT COUNCIL**

**Overview & Scrutiny Board**

**24<sup>th</sup> March 2014**

**Appendix 1**

**Write Offs of Council Tax and Non-Domestic Rates  
1<sup>st</sup> October 2013 – 31<sup>st</sup> December 2013**

<b>Council Tax</b>	<b>Amount (£)</b>	<b>Number of Accounts</b>
Deceased no funds in estate	1022.14	2
<b>Total</b>	<b>1022.14</b>	<b>2</b>

<b>NDR</b>	<b>Amount (£)</b>	<b>Number of Accounts</b>
Company dissolved	22289.56	9
Bankruptcy	18.85	1
Liquidation	7512.42	6
Ceased Trading – no assets	1369.59	2
Statue Barred	16296.69	7
Uneconomical to pursue	64.00	2
Other	240.25	1
Costs written off	880.00	10
<b>Total</b>	<b>48671.36</b>	<b>38</b>

**Write Offs of Sundry Debtors - 1<sup>st</sup> October 2013 to 31<sup>st</sup>  
December 2013**

<b>Sundry Debts</b>		<b>Amount (£)</b>	<b>Number of Invoices</b>
NFAV	No further Action due to value	927	10
AWO	Auto write off under £5.00	11	13
PPAW	Part paid advised Write Off	5	1
OP	Overpaid no forwarding address	943	36
<b>Total</b>		<b>1,886</b>	<b>60</b>

**Write off of Overpaid Housing Benefit – 1<sup>st</sup> October 2013 to 31<sup>st</sup>  
December 2013**

<b>Housing Benefit Write Offs</b>	<b>Amount</b>	<b>No. of cases</b>
<b>Reason</b>		
Deceased	£1,239.20	2
Debt Relief Order	£216.84	1
Uneconomical to recover	£1,916.62	9
Cannot trace	£250.83	2
Old debt-recovery options ex	£151.12	1
<b>TOTAL</b>	<b>£3,774.61</b>	<b>15</b>

**Aged Debt profile for Sundry Debts - 1<sup>st</sup> October 2013 to 31<sup>st</sup> December 2013**

<b>Age</b>	<b>As at 30<sup>st</sup> December 2013</b>	<b>As at 31<sup>st</sup> December 2012</b>
1 – 30 days	91,287	131,389
31 - 60 days	493,648	24,696
61 – 90 days	10,331	397,068
90 days +	96,938	80,742
<b>Total</b>	<b>692,205</b>	<b>633,896</b>

**Council Tax Arrears**

<b>Council Tax Arrears Analysis</b>			
	<b>Q1</b>	<b>Q2</b>	
	<b>Total</b>	<b>Total</b>	<b>Annual debit</b>
<b>Year</b>	<b>£</b>	<b>£</b>	<b>£</b>
1999/00	8905.86	8043.67	25,836,407
2000/01	16978.62	16658.65	26,419,700
2001/02	26124.45	26110.82	29,487,929
2002/03	38213.05	38205.06	35,962,692
2003/04	36708.52	36468.84	40,922,548
2004/05	41447.39	41182.81	41,770,011
2005/06	83102.67	77608.95	44,059,868
2006/07	109176.15	99127.96	46,683,333
2007/08	102073.74	98109.78	49,061,780
2008/09	104700.60	99899.96	51,592,006
2009/10	114022.22	107346.37	53,577,097
2010/11	183899.43	173169.55	55,298,276
2011/12	274388.71	254535.10	55,399,069
2012/13	558,172.76	453,510.99	55,882,474

**Non Domestic Rates Arrears**

<b>Non Domestic Rates Arrears Analysis</b>			
	<b>Q1</b>	<b>Q2</b>	
	<b>Total</b>	<b>Total</b>	<b>Annual Debit</b>
<b>Year</b>	<b>£</b>	<b>£</b>	<b>£</b>
2000/01	1442.12	1949.52	17,415,978
2001/02	1104.19	2567.25	17,232,868
2002/03	1018.23	1728.14	17,175,162
2003/04	211.80	211.80	17,345,890
2004/05	140.83	140.83	17,854,642
2005/06	11175.23	11175.23	18,803,202
2006/07	15941.64	16219.71	19,823,744
2007/08	12516.69	6111.44	20,822,010
2008/09	36523.87	41120.90	23,586,234
2009/10	91602.30	80340.45	23,829,603
2010/11	92730.58	70437.54	23,233,864
2011/12	180722.33	145560.22	25,205,206
2012/13	527488.09	395658.41	26,984,821