

Overview & Scrutiny Board

16th June 2014

QUARTERLY MONITORING OF WRITE OFFS

1ST JANUARY 2014 – 31ST MARCH 2014

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 final 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 (court costs only)	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 £117,036 of unrecoverable debt was written off during this quarter.
- 3.4 A total of £437,491 of unrecoverable debt was written off during 2013/14, broken down as follows:

Council Tax	-	£102,366
NDR	-	£242,010
Sundry Debtors	-	£13,867
HB Overpayment	-	£52,243

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- 3.5 The provision is adequate in respect of Council Tax and Sundry Debts.
- 3.6 As previously reported, due to changes to the distribution arrangements for business rates from the 1st April 2013 the local authority was required to make different arrangements for the way in which it accounts for bad debt provision in relation to Non Domestic Rates. The amount shown in 3.2 accounted for costs only and the financial implications could not be fully understood until the end of the fiscal year. However, the actual bad debt provision for NDR (at March 2013) was £561,921.
- 3.7 An age profile of the outstanding sundry debts at the end of each quarter is attached at Appendix 2.
- 3.8 An analysis of Council Tax and Non Domestic Rates arrears as at 31st March 2014 is attached at Appendix 3.

Legal Implications

- 3.9 There are no legal implications.

Service / Operational Implications

- 3.10 No direct implications.

Customer / Equalities and Diversity Implications

- 3.11 No direct implications.

4. RISK MANAGEMENT

- 4.1 No specific risks identified.

5. APPENDICES

Appendix 1- Write offs 1st January 2014 – 31st March 2014

Appendix 2- Aged Debt Profile for Sundry Debts Arrears as at 31st March 2014

Appendix 3 - Council Tax and Non Domestic Rates Arrears Analysis as at 31st March 2014

6. BACKGROUND PAPERS

There are no background papers to this report.

AUTHORS OF REPORT

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Appendix 1

**Write Offs of Council Tax and Non-Domestic Rates
1st January 2014 - 31st March 2014**

Council Tax	Amount (£)	Number of Accounts
Gone away	16,367.41	26
Deceased no funds in estate	1,829.91	12
Bankruptcy	1,659.07	2
Statue Barred	4,551.70	1
Uneconomical to pursue	1,494.53	8
Costs written off	1,949.97	39
Auto Balance Write Off (archived)	-1,199.79	810
Total	26,652.80	898

NDR	Amount (£)	Number of Accounts
Gone away	13,599.20	51
Company dissolved	46,569.20	26
Bankruptcy	2,172.28	2
Liquidation	6,073.72	7
In Administration	292.62	3
Ceased Trading – no assets	411.08	1
Statue Barred	2,266.30	2
Uneconomical to pursue	929.32	6
Small Balance	10.90	21
Other	2,813.35	1
Costs written off	4,988.00	60
Write Back	-1,089.38	37
Total	79,036.59	217

Write Offs of Sundry Debtors - 1st January 2014 to 31st March 2014

Sundry Debts	Amount (£)	Number of Invoices
No further Action due to value	200	3
Auto write off under £5.00	8	5
Advised Write Off	1543	23
Gone Away	720	4
Total	2,471	35

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Write off of Overpaid Housing Benefit – 1st January 2014 to 31st March 2014

Housing Benefit Write Offs	Amount	No. of cases
Reason		
Debt Relief Order	£1,055.86	1
Uneconomical to recover	£229.09	3
Cannot trace	£6,765.94	7
Old debt-recovery options ex	£824.95	1
TOTAL	£8,875.84	12

Aged Debt profile for Sundry Debts as at 31st March 2014

Age	As at 31st March 2014	As at 31st March 2013
1 – 30 days	453,561	273,084
31 - 60 days	10,869	179,752
61 – 90 days	72,963	28,488
90 days +	131,020	173,636
Total	668,414	654,960

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Appendix 3

**Council Tax and Non Domestic Rates Arrears Analysis as at
31st March 2014**

Council Tax

Year	Total £	Annual debit £
1999/00	6,893	25,836,407
2000/01	14,957	26,419,700
2001/02	24,491	29,487,929
2002/03	35,751	35,962,692
2003/04	32,637	40,922,548
2004/05	35,245	41,770,011
2005/06	70,996	44,059,868
2006/07	90,556	46,683,333
2007/08	84,466	49,061,780
2008/09	89,704	51,592,006
2009/10	96,728	53,577,097
2010/11	158,699	55,298,276
2011/12	201,786	55,399,069
2012/13	314,928	55,882,474
2013/14	753,656	56,565,040

Non Domestic Rates Arrears

Year	Total £	Annual Debit £
2000/01	-1,442	17,415,978
2001/02	1,104	17,232,868
2002/03	1,018	17,175,162
2003/04	211	17,345,890
2004/05	-331	17,854,642
2005/06	5,633	18,803,202
2006/07	4,262	19,823,744
2007/08	3,044	20,822,010
2008/09	24,012	23,586,234
2009/10`	58,073	23,829,603
2010/11	37,415	23,233,864
2011/12	60,678	25,205,206
2012/13	181,451	26,984,821
2013/14	435,537	27,558,863