

## **Overview & Scrutiny Board**

**22<sup>nd</sup> June 2015**

### **QUARTERLY MONITORING OF WRITE OFFS - 1<sup>ST</sup> JANUARY 2015 – 31<sup>ST</sup> MARCH 2015**

Relevant Portfolio Holder	Councillor Geoff Denaro
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 fourth quarter of 2014/15 along with the profile and level of outstanding debt.

#### **2. RECOMMENDATIONS**

**That:**

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

**2.2 future monitoring reports be provided annually.**

#### **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. Write offs are made only as a last resort and to comply with Audit requirements. The timing, amount and value of write offs vary quarter by quarter due to the recovery work undertaken in any quarter and are not representative of any specific trend in that quarter.
- 3.3. Likewise the outstanding debt in respect of Council Tax and Non Domestic Rates (NDR) can only be accurately reflected annually.
- 3.4. Members are therefore asked to consider annual reporting of this data in future.

#### **Financial Implications**

- 3.5 Provision is made within the Council's budgets to allow for bad debts to be written off.

## **Overview & Scrutiny Board**

**22<sup>nd</sup> June 2015**

3.6 The current bad debts provisions are as follows:

	£
Housing benefit Overpayments	485,363
NDR	224,907
Council Tax	214,937
Sundry Debtors	31,493

3.7 Details of written off debts during the period for Council Tax, Sundry Debts, and Overpaid Housing Benefit including a breakdown of the number of debtors, are attached at Appendix 1.

3.8 A total of £25,647 of unrecoverable debt was written off during this quarter. This brings the total write off for 2014/15 to £263,173, which is within the bad debt provision.

3.9 The following table shows the value and number of accounts of write off for 2013/14 compared with 2014/15.

Quarter	2013/14				2014/15			
	1	2	3	4	1	2	3	4
Total Write off	*265,102		55,35	117,03	62,966	46,935	127,625	25,647
Number of Accounts	*863		115	1,162	244	102	161	106

\* Quarters 1 and 2, 2013/14 were reported jointly.

3.10 There were no Non Domestic Rates write off's actioned during this quarter.

3.11 Due to the change in finance system during March 2015 it is not possible to provide the aged debt data in respect of outstanding sundry debts. The reporting functionality on the new system is still being developed, and it is not possible at this time to be clear about how this data will be presented. However, officers are hoping to be able to provide more meaningful data in future. As previously reported the aged debt profile is most impacted by the timing of invoices and are not a true reflection of recovery of debt.

3.12 An analysis of Council Tax and Non Domestic Rates arrears is attached at Appendix 2.

### **Legal Implications**

3.13 Further Legal action in respect of these cases is not considered to be appropriate, or likely to result in repayment of the debt.

**Service / Operational Implications**

3.14 No direct implications.

**Customer / Equalities and Diversity Implications**

3.15 Every option is explored to recover outstanding debts and staff work with individuals to try to find suitable solutions. In some cases pursuing a debt is going to lead to such hardship that a write off is the most appropriate option. However, if circumstances change a case can be re-opened.

**4. RISK MANAGEMENT**

4.1 No specific risks identified.

**5. APPENDICES**

Appendix 1- Write offs 1<sup>st</sup> January 2015 – 31<sup>st</sup> March 2015

Appendix 2- Council Tax and Non Domestic Rates Arrears Analysis

**6. BACKGROUND PAPERS**

There are no background papers to this report.

**AUTHORS OF REPORT**

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**BROMSGROVE DISTRICT COUNCIL**

**Overview & Scrutiny Board**

22<sup>nd</sup> June 2015

**Appendix 1**

**Write Offs of Council Tax and Non-Domestic Rates  
1<sup>st</sup> January 2015 – 31<sup>st</sup> March 2015**

<b>Reason</b>	<b>Amount (£)</b>	<b>Number of Accounts</b>
Deceased no funds in estate	447.09	5
Bankruptcy	11,275.14	24
Uneconomical to pursue	53.40	2
Outside Jurisdiction	628.94	2
Costs written off	1176.13	22
<b>Total</b>	<b>16,039.00</b>	<b>53</b>

**Write Offs of Sundry Debtors – 1<sup>st</sup> January 2015– 31<sup>st</sup> March 2015**

<b>Reason</b>	<b>Amount (£)</b>	<b>Number of Invoices</b>
Auto write off under £5.00	2.20	5
Deceased	62.25	1
Gone Away	185.40	1
Credit Write Offs	Credit 798.43	30
<b>Total</b>	<b>Credit 548.58</b>	<b>37</b>

**Write off of Overpaid Housing Benefit – 1<sup>st</sup> January 2015 – 31<sup>st</sup> March 2015**

<b>Reason</b>	<b>Amount (£)</b>	<b>Number of cases</b>
Bankruptcy	164.00	1
Uneconomical to recover	242.21	1
Cannot trace	6,314.63	6
Old debt-recovery options ex	3,155.11	5
In prison	121.68	1
Deceased	158.56	2
<b>TOTAL</b>	<b>10,156.19</b>	<b>16</b>

**BROMSGROVE DISTRICT COUNCIL****Overview & Scrutiny Board**22<sup>nd</sup> June 2015**Appendix 2****Council Tax Arrears**

<b>Council Tax Arrears Analysis</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Annual debit</b>
<b>Year</b>	<b>£</b>	<b>£</b>			<b>£</b>
1999/00	9,869.03	8,847.90	8,403.57	8,726.58	25,836,407
2000/01	14,722.72	14,312.37	13,791.81	13,979.46	26,419,700
2001/02	23,350.36	22,517.17	22,044.82	22,466.65	29,487,929
2002/03	35,427.20	33,982.66	32,829.91	33,051.13	35,962,692
2003/04	32,054.31	29,488.39	28,594.00	29,220.67	40,922,548
2004/05	34,384.86	32,590.77	31,484.97	31,990.81	41,770,011
2005/06	68,403.58	64,469.10	63,127.53	62,879.91	44,059,868
2006/07	88,198.00	84,342.98	81,809.13	80,905.02	46,683,333
2007/08	79,731.62	76,277.94	72,829.08	71,184.05	49,061,780
2008/09	87,063.83	83,663.59	80,427.10	77,613.49	51,592,006
2009/10	92,186.06	88,492.51	83,866.32	80,559.61	53,577,097
2010/11	149,444.01	148,059.16	140,249.95	133,103.53	55,298,276
2011/12	187,955.74	179,993.19	168,903.62	161,000.20	55,399,069
2012/13	291,776.21	275,625.00	261,728.00	250,442.50	55,882,474
2013/14	636,847.28	570,750.95	519,451.98	478,348.44	56,565,040
2014/15	37,372,725.49	19,574,863.11	6,907,168.87	854,029.25	57,832,715
<b>Total</b>	<b>39,200,023.54</b>	<b>19,578,686.25</b>	<b>8,516,710.66</b>	<b>54,744,566.15</b>	

**Non Domestic Rates Arrears**

<b>Non Domestic Rates Arrears Analysis</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Annual Debit</b>
<b>Year</b>	<b>£</b>	<b>£</b>			<b>£</b>
2000/01	-1,442.12	-1,442.12	-1,442.11	-1,442.11	17,415,978
2001/02	656.81	1,018.24	410.18	410.18	17,232,868
2002/03	-1,665.72	1,018.24	78.70	78.69	17,175,162
2003/04	211.80	211.80	-742.79	-742.79	17,345,890
2004/05	-331.53	-331.53	-890.22	-890.22	17,854,642
2005/06	5,633.06	5,633.06	5,633.06	5,633.06	18,803,202
2006/07	3,562.52	2,662.52	1,662.52	1,062.52	19,823,744
2007/08	3,026.97	3,026.96	1,262.64	1,262.64	20,822,010
2008/09	23,528.11	23,528.11	20,656.86	20,598.06	23,586,234
2009/10	56,573.05	55,235.46	44,862.80	44,667.80	23,829,603
2010/11	55,886.01	50,454.00	21,030.52	28,941.63	23,233,864
2011/12	88,683.27	82,372.98	46,887.61	48,141.57	25,205,206
2012/13	131,380.32	109,855.14	78,636.68	77,968.81	26,984,821
2013/14	208,162.79	167,014.16	127,596.83	83,162.95	27,558,863
2014/15	18,890,661.55	10,764,819.27	3,395,083.55	835,936.40	28,185,165
<b>Totals</b>	<b>19,464,526.89</b>	<b>11,265,076.29</b>	<b>3,740,426.83</b>	<b>1,144,789.19</b>	