

Report to: **Hub Committee**
Date: **27th October 2015**
Title: **Write Off Report**
Portfolio Area: **Health & Wellbeing**
Wards Affected: **All**
Relevant Scrutiny Committee: Internal O&S

Urgent Decision: **N** Approval and clearance obtained: **Y / N**

Author: **Lisa Buckle** Role: **Section 151 Officer**

Contact: **Ext. 3644 lisa.buckle@swdevon.gov.uk**

Recommendations:

The Committee notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual West Devon Borough Council debts totalling £20,949.61 as detailed in Tables 1 and 2.

The Committee approves the write off of individual debts in excess of £5,000 totalling £19,658.78, as detailed in Table 3.

1. Executive summary

The Council is responsible for the collection of: Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the s151 Officer, under delegated authority. Permission needs to be sought from the Committee to write off individual debts with a value of more than £5,000.

This report covers the period 1st July 2015 to 30th September 2015.

2. Background

The Council's sound financial management arrangements underpin delivery of all the Council's priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

West Devon Borough Council's collection rates for 2014/15 were; Council Tax 97.6% & Business Rates 98.3%.

In the first two quarters of 2015/16 the Council has collected £19,405,970 in Council Tax and £6,538,699 in Business Rates. The total collectable debt for 2015/16 (as at 30th September) for Council Tax is £33.99 million and for Business Rates is £10.89 million.

Debts are recovered in accordance with the Council's Recovery Policy which is published on our website.

3. Outcomes/outputs

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £1,591,449. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary the debt passed to an appropriate collection agent such as the Civil Enforcement Agents or the Council's Legal Department in order to secure payment.

Sometimes, however, if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt.

In some cases pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the Section 151 Officer under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Committee prior to the debt being written off.

Comprehensive Impact Assessment Implications		
Equality and Diversity		All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		A bad debt provision is built into the financial management of the Authority

Supporting Information

Appendices:

Table 1 – Council debt under £5,000 written off by the Section 151 Officer

Table 2 – Non-Domestic Rate debt under £5,000 written off by the Section 151 Officer

Table 3 – Summary of items over £5,000 where permission to write off is requested

Table 4 – National & Local Collection Statistics re 2014 / 15 Collection Rates

Table 5 – Quarterly income in 2014 / 15 relating to all years

Table 6 – Previous Year Write Off Totals

Background Papers:

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)

Recovery Policy

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Yes

TABLE 1 SUMMARY OF WEST DEVON BOROUGH COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2015/16			Totals for Comparison purposes			
			Quarter 2	Cumulative Total		Equivalent Quarter 2014/15		Grand Total 2014/15	
			Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
HOUSING BENEFIT	8	Overpaid Entitlement	6,278.95	42	20,608.44	23	17,407.57	107	47,706.29
COUNCIL TAX BENEFIT	1	Bankruptcy/DRO/IVA/CVA etc	137.40	1	137.40	2	1,714.24	5	6,617.23
	-	Deceased	-	-	-	-	-	1	755.04
	-	Other	-	-	-	-	-	-	-
	2	Absconded	674.11	6	4,134.02	7	7,512.05	14	15,213.17
	7	Not Cost Effective to Pursue	229.69	12	237.96	18	1,756.74	27	2,263.49
	3	Uncollectable Old Debt	544.11	9	5,754.73	3	2,896.67	10	4,922.65
Total	21		7,864.26	70	30,872.55	53	31,287.27	164	77,477.87
COUNCIL TAX	7	Absconded	5,604.79	33	23,811.78	17	9,313.45	70	19,555.90
	6	Bankruptcy/DRO/IVA/CVA etc	3,730.69	18	20,532.62	9	11,424.44	36	33,436.79
	1	Deceased	159.42	3	3,188.73	2	992.58	11	2,725.90
	-	Other	-	2	1,943.44	2	210.00	11	3,414.68
	2	Small Balance	47.24	6	190.30	1	6.06	198	7,030.35
	-	Uncollectable Old Debt	-	-	-	-	-	-	-
	-	Administration	-	-	-	-	-	1	1,108.21
Total	16		9,542.14	46	49,666.87	31	21,946.53	327	67,271.83
SUNDRY DEBTS	-	Small Balance	-	1	0.15	2	0.08	5	80.49
	-	Bankrupt/DRO/IVA/CVA etc	-	-	-	-	-	-	-
	-	Not Cost Effective to Pursue	-	1	60.00	1	40.00	2	191.98
	1	Uncollectable Old Debt	480.00	1	480.00	1	435.00	1	435.00
	-	Absconded	-	-	-	-	-	1	180.00
	2	Other	790.00	2	790.00	-	-	-	-
Total	3		1,270.00	5	1330.15	4	475.08	9	887.47
Grand Total	40		18,676.40	97	81,869.57	88	53,708.88	500	145,637.17

**Breakdown of Absconded Council Tax Debt
(Some cases have debts over more than one year)**

Year	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	Pre 2005/06	Total
Value	2	1	2	2	3	1	-	-	-	-	-	11
Number	131.26	469.09	187.93	1,982.36	2,267.09	567.06	-	-	-	-	-	5,604.79

TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY THE S151 OFFICER

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2015/16			Totals for Comparison purposes			
			Quarter 2		Cumulative Total	Equivalent Quarter 2014/15		Grand Total 2014/15	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	-	Bankruptcy/DRO/IVA/CVA etc	-	1	1,582.78	-	-	1	282.83
	-	Absconded	-	-	-	-	-	1	464.29
	-	Deceased	-	-	-	1	244.23	3	3,629.93
	2	Liquidation	2,273.21	2	2,273.21	2	5,283.32	5	6,472.58
	-	Other	-	1	756.54	1	661.20	4	1,925.76
	-	Small Balance	-	-	-	-	-	-	-
	-	Uncollectable Old Debt	-	-	-	-	-	2	1,009.40
	-	Administrative Receivership	-	-	-	2	2,746.33	4	3,914.33
Total	2		2,273.21	4	4,612.53	6	8,935.08	20	17,699.12

TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2015/16			Totals for Comparison purposes			
			Quarter 2		Cumulative Total	Equivalent Quarter 2014/15		Grand Total 2014/15	
			Amount (£)	Cases		Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	2	Liquidation	19,658.78	3	29,217.16	-	-	1	18,128.27
	-	Administrative Receivership	-	-	-	-	-	-	-
	-	Absconded	-	-	-	-	-	-	-
	-	Bankruptcy/DRO/IVA/CVA etc	-	-	-	-	-	4	46,810.48
	-	Deceased	-	-	-	-	-	1	15,851.37
	-	Other	-	-	-	1	8,715.95	1	8,715.95
Total	2		19,658.78	3	29,217.16	1	8,715.95	7	89,506.07
HOUSING BENEFIT	-	Bankruptcy/DRO/IVA/CVA etc	-	1	5,898.04	-	-	-	19,443.12
	-	Overpaid Entitlement	-	1	9,787.06	-	-	-	6,045.46
Total	-		-	2	15,685.10	-	-	-	25,488.58
COUNCIL TAX	-	Bankruptcy/DRO/IVA etc.	-	-	-	-	-	-	-
	-	Absconded	-	-	-	-	-	1	5,265.60
Total	-		-	-	-	-	-	1	5,265.60
Grand Total	2		19,658.78	3	25,244.26	1	8,715.95	10	120,260.25

TABLE 4 NATIONAL & LOCAL COLLECTION STATISTICS RE 2014-15 COLLECTION RATES

Total amount collected in 2014-15 relating to 2014-15 financial year only (net of refunds relating to 2014-15)

	Council Tax			Non Domestic Rates		
	Collectable Debit i.r.o. 14/15 - £000s	Net Cash Collected* i.r.o. 14/15 - £000s	Amount Collected i.r.o. 14/15 - %age	Collectable Debit i.r.o. 14/15 - £000s	Net Cash Collected* i.r.o. 14/15 - £000s	Amount Collected i.r.o. 14/15 - %age
All England	24,793,215	24,052,365	97.0	23,510,378	23,066,362	98.1
Shire Districts	11,352,031	11,116,705	97.9	7,583,172	7,459,915	98.4
East Devon	85,274	84,274	98.8	32,297	31,805	98.5
Exeter	53,152	50,708	95.4	78,004	77,030	98.8
Mid Devon	43,470	42,492	97.8	15,179	15,023	99.0
North Devon	50,667	49,170	97.1	31,940	31,280	97.9
Plymouth	104,466	100,423	96.1	90,908	88,999	97.9
South Hams	58,325	57,352	98.3	29,491	29,082	98.6
Teignbridge	72,698	71,511	98.4	31,560	31,296	99.2
Torbay	65,837	62,871	95.5	37,440	35,772	95.5
Torridge	35,102	34,489	98.3	10,745	10,571	98.4
West Devon	32,794	32,008	97.6	10,658	10,481	98.3

* Net Cash Collected is total 2014-15 receipts net of refunds paid, in respect of 2014-15 only

TABLE 5 QUARTERLY INCOME IN 2014-15 RELATING TO ALL YEARS

Total amount collected in 2014-15 relating to any financial year (net of all refunds in 2014-15)

	Council Tax Net Cash Collected* £000s	Non Domestic Rates Net Cash Collected* £000s
Quarter 1 - Receipts collected between April 2014 - June 2014	9,788	3,591
Quarter 2 - Receipts collected between July 2014 - September 2014	9,102	2,772
Quarter 3 - Receipts collected between October 2014 - December 2014	9,232	2,710
Quarter 4 - Receipts collected between January 2015 - March 2015	4,272	1,331

* Net Cash Collected is total receipts in 2014-15 net of refunds paid, irrespective of the financial year (previous, current or future years) to which they relate

TABLE 6 PREVIOUS YEAR WRITE OFF TOTALS

		2014 - 15	2013- 14	2012 - 13	2011 - 12
HOUSING BENEFIT	Under £5,000 cases	77,477.87	48,315.96	47,636.80	21,103.31
HOUSING BENEFIT	£5,000 or over cases	25,488.58	0.00	0.00	0.00
Total		102,966.45	48,315.96	47,636.80	21,103.31
COUNCIL TAX	Under £5,000 cases	67,271.83	33,385.96	199,475.48	133,748.27
COUNCIL TAX	£5,000 or over cases	5,265.60	15,940.10	25,924.46	5,658.27
Total		72,537.43	49,326.06	225,399.94	139,406.54
SUNDRY DEBTS	Under £5,000 cases	887.47	818.09	4,449.99	5,719.72
SUNDRY DEBTS	£5,000 or over cases	0.00	0.00	0.00	0.00
Total		887.47	818.09	4,449.99	5,719.72
NON DOMESTIC RATES	Under £5,000 cases	17,699.12	35,095.48	18,780.31	32,463.90
NON DOMESTIC RATES	£5,000 or over cases	89,506.07	38,882.41	26,680.71	55,949.62
Total		107,205.19	73,977.89	45,461.02	88,413.52
GRAND TOTAL		283,596.54	172,438.00	322,947.75	254,643.09