

WRITE-OFFS 1 APRIL 2008 - 31 MARCH 2009

PORTFOLIO RESPONSIBILITY: RESOURCES

STRATEGIC MONITORING COMMITTEE

19 OCTOBER 2009

Wards Affected

County-wide.

Purpose

To report on the numbers and amounts written off for individual debts exceeding £1,000 covering the period 1 April 2008 to 31 March 2009.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT

- (a) The write-offs for cases over £1,000 be noted**

Reasons

The Council's Financial Procedure Rules, which were reviewed in March 2008, require that this information is reported to Cabinet twice a year for information purposes.

Considerations

1. Write-offs in excess of £1,000 have to be approved by the Director of Resources and where they relate to another Directorate they also require the recommendation of the relevant Director.
2. When the Council Tax base is approved as part of the budget process, a provision is made for non-collection.
3. For National Non-Domestic Rates, irrecoverable amounts are fully reimbursed by Central Government subject to the approval of the Audit Commission; therefore, there is no cost to the Authority.
4. For benefit overpayments, a provision is made for irrecoverable amounts from the budget subsidy which is paid by the Department for Work and Pensions. Irrecoverable amounts for Sundry Debtors are recharged to the originating department.

5. In general, debts considered for write-off fall into the following categories:
 - Bankruptcy or liquidation
 - Remitted by Magistrates at a Committal hearing
 - Unable to trace debtors
 - Debtor deceased with no estate
 - No further action possible
6. For bankruptcies and liquidations, a claim is lodged with the Receiver and no further effective action can be taken as, under current legislation, local authority debts are non-preferential.
7. Council Tax and Business Rates cases are, where possible, progressed to the Committal stage of recovery. Although the Magistrates have the power to remit part or all of the debt, the amount remitted is written off.
8. In cases where the debtor has vacated and left no forwarding address, enquiries are made, including accessing other information held by the Council and contacting other local authorities and organisations.
9. After the internal checks are made, cases are passed to external tracing agencies on a no collect, no fee basis. Whilst this has not proved to be particularly successful in terms of the amounts collected, it does provide sound information in order for the debts to be written off.
10. The total amounts written off for the period identified can be found in the attached list with a comparison for the total written off for 2007/08.

Financial Implications

There are identified in the report.

Risk Management

In all cases where it has not been possible to collect income, a full assessment is made before they are passed for approval. This process ensures that proper financial records are maintained where no effective recovery option is available.

Alternative Options

No alternative options.

Consultees

None.

Appendices

List of types and amounts of write-offs.

Background Papers

Financial Procedure Rules

Write-off Information

Income Type	2008/09		2007/08	
	No. of cases	Amount	No. of cases	Amount
Council Tax	9	£14,661.12	7	£8,851.12
Business Rates	33	£158,687.53	22	£83,965.92
Benefit Overpayments	8	£18,069.87	13	£25,951.35
Debtors	49	£123,496.52	13	£61,020.45