

EXECUTIVE COMMITTEE

15th October 2013

MONITORING OF WRITE OFFS – APRIL – AUGUST 2013

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All

1. SUMMARY OF PROPOSALS

Members are requested to consider the action taken by officers with respect to the write off of debts during the first four months of 2013/14 and to note the profile and/or level of outstanding debt.

2. RECOMMENDATIONS

The Executive is requested to RESOLVE that:

Subject to any comments, the contents of the report be noted.

3. KEY ISSUES

3.1. In 2010/11 members approved a revised Write-Off Policy which changed the process for the reporting and approval process for the writing off of debts due to the Council. The revised Policy requires officers to report to members of the actual level of write offs and the profile of outstanding debt.

3.2. The current bad debts provisions are as follows:

	£000's
Council Tax	252
Housing Revenue Account	576
Sundry Debtors	100
Benefits	<u>206</u>
Total	<u>1,134</u>

Financial Implications

3.3 The current bad debt provisions are adequate in relation to level of write offs and the level of outstanding debt.

Legal Implications

3.4 There are no legal implications.

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Service / Operational Implications

3.5 No direct implications.

Customer / Equalities and Diversity Implications

3.6. No direct implications.

4. RISK MANAGEMENT

There are no risks identified.

5. APPENDICES

Appendix 1 – Write offs - April – August 2013

Appendix 2 - Aged Debt Profile for Sundry Debts and Former Tenant
Arrears

Council Tax Arrears and Business Rates Arrears as at 31st
Aug 2013.

Appendix 3 – Write off of Overpaid Housing Benefit - April – Aug 2013

6. BACKGROUND PAPERS

There are no background papers with this report.

AUTHORS OF REPORT

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Appendix 1

**Write Offs of Council Tax and Non-Domestic Rates
April – August 2013**

Council Tax	Reason	01/04/13 - 31/08/13 £
CT - 01	Gone away	16,111.15
CT - 02	Deceased no funds in estate	712.07
CT - 03	Bankruptcy	12,107.83
CT - 06	Uneconomical to pursue	207.13
CT - 09	Automatic w/o +1/-1p	0.02
CT - 10	Balance under £5.00	8.27
CT - 11	Other	7.05
CT - 12	Credits - unable to refund	-5280.93
	Total	23,872.59

NDR	Reason	01/04/13 - 31/08/13 £
NDR - 03	Liquidation/Winding up	5,811.43
NDR - 06	Uneconomical to pursue	-1601.11
	Total	4,210.32

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Write Offs of Sundry Debts and Former Tenant Arrears (HRA)
April – August 2013

Sundry Debts	Reason	01/04/13 – 31/08/13 £
SDR – 01	Gone away	5,092
SDR – 02	Imprisonment	475
SDR – 03	Liquidation/Bankrupt	895
SDR – 04	Statute Barred	92
SDR – 06	Uneconomical to pursue	12,519
SDR – 10	Debtor deceased	487
	Total	19,560

Former Tenant Arrears	Reason	01/04/13 - 31/08/13 £
FTA – 01	Gone away	10,600
FTA – 03	Bankrupt	1,506
FTA – 04	Statute Barred	16,806
FTA – 06	Uneconomical to pursue	25,269
FTA – 10	Tenant deceased	5,087
	Total	59,268

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Appendix 2

**Aged Debt profiles for Sundry Debts and Former Tenant
Arrears – as at 31st August 2013**

Sundry Debts

Age	Arrears as at 30/09/2012	Arrears as at 31/12/2012	Arrears as at 31/08/2013
	£		
0 - 3 months	1,528,852	958,640	786,257
3 - 6 months	170,764	106,739	191,632
6 - 12 months	149,707	184,868	134,740
12 - 24 months	304,977	256,879	232,022
24 months and over	619,788	580,517	640,277

Former Tenants

Age	Arrears as at 30/09/2012	Arrears as at 31/12/2012	Arrears as at 31/08/2013
	£		
0 - 3 months	33,083	25,536	37,741
3 - 6 months	18,222	31,982	37,060
6 - 12 months	41,807	30,247	51,521
12 - 24 months	66,512	79,426	58,740
24 months and over	184,058	172,949	156,027

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Council Tax Arrears

Year	Arrears Total as at 31/12/12	Arrears Total as at 31/03/2013	Arrears Total as at 31/08/2013
1993/94	0	0	-453
1994/95	0	0	-631
1995/96	0	0	-607
1996/97	923	583	-168
1997/98	1,052	1,052	520
1998/99	2,310	2,243	1,602
1999/00	6,868	4,972	4,073
2000/01	9,934	9,523	8,730
2001/02	17,174	16,311	13,405
2002/03	22,721	20,924	18,712
2003/04	35,137	33,471	31,312
2004/05	56,380	51,373	47,985
2005/06	75,137	71,654	65,117
2006/07	122,751	115,180	105,166
2007/08	155,946	146,041	136,542
2008/09	190,286	176,534	164,123
2009/10	226,275	206,990	187,775
2010/11	308,207	278,183	254,208
2011/12	451,966	380,751	325,632
2012/13		832,499	598,868
Total	1,683,069	2,348,285	1,963,912

Business Rates Arrears

Year	Arrears Total as at 31/12/12	Arrears Total as at 31/03/2013	Arrears Total as at 31/08/2013
2000/01	0	0	-5,080
2001/02	125	125	-3,353
2002/03	8,990	8,990	8,990
2003/04	11,924	12,449	12,449
2004/05	18,423	18,273	18,073
2005/06	23,710	19,934	19,234
2006/07	38,839	29,643	28,617
2007/08	93,254	75,459	73,068
2008/09	86,256	72,892	65,400
2009/10	32,418	38,599	49,552
2010/11	168,705	108,928	90,150
2011/12	147,147	174,919	169,534
2012/13		484,696	362,220
Total	629,787	1,044,907	888,851

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Appendix 3

Write off of Overpaid Housing Benefit – April to August 2013

Housing Benefit Write-Offs as at 31/08/2013		
Reason	Amount £	No. of cases
Possible Write back	2,080	5
Deceased	1,961	2
Debt Relief Order	4,352	10
IVA	610	1
Bankruptcy	1,584	3
Not reasonable to recover	15,576	34
Uneconomic to recover	136	9
No prospect of recovery	20,156	14
Totals	46,456	78