



POLICY AND RESOURCES SCRUTINY COMMITTEE – 9TH JULY 2019

SUBJECT: WRITE-OFF OF DEBTS – 01/04/18 – 31/03/19

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide Members with a summary of outstanding debts which have been written-off during the 2018/19 financial year in accordance with the policy previously agreed by Cabinet.

2. SUMMARY

- 2.1 The report provides details of debts written-off for Council Tax, Business Rates, Council House Rents, Sundry Debtors and Housing Benefits overpayments.

3. RECOMMENDATIONS

- 3.1 Members are asked to note the contents of this report.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that Members are informed of the sums written-off during the 2018/19 financial year.

5. THE REPORT

- 5.1 The Council collects very large sums of money from residents and local businesses each year and inevitably there are instances of non-payment. A 'firm but fair' approach has always been adopted and all legal means are pursued to recover monies owed.
- 5.2 The regular writing-off of uncollectable debts is an important financial discipline. The Council would be criticised by External Audit if debts remained in the accounts when there is little likelihood of recovery. The table below provides a summary of debts written-off for the financial year 01/04/18 to 31/03/19.

	Total Amounts Written Off 2018/19	Total Budgeted Income/Grant 2018/19	% of Total Income/Grant Written-off 2018/19	% of Total Income/Grant Written-off 2017/18
	(£)	(£m)	(%)	(%)
Council Tax	172,528	70.3	0.25	0.26
Business Rates	331,406	39.1	0.85	0.93
Council House Rents	283,521	54.0	0.53	0.52
Sundry Debtors	208,698	40.4	0.52	0.73

5.3 Whilst the sums shown above are significant it is important to put them into context. The column entitled "% of Total Income/Grant Written-off 2018/19" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant 2018/19", i.e. monies due to the Council. For comparison purposes the full-year percentages for 2017/18 are also included in the table.

5.4 In addition to the table in paragraph 5.2, £30,923.30 has also been written-off in the period 01.04.18 to 31.03.19 in relation to the invoices raised for overpayments of Housing Benefits (total invoices raised during the period £1,416,971.58).

6. ASSUMPTIONS

6.1 There are no assumptions associated with this report.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 To comply with Financial Regulations.

7.2 The writing-off of unrecoverable debts is an important element of prudent financial management. Effective financial management contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:-

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

8. WELL-BEING OF FUTURE GENERATIONS

8.1 Effective financial management is a key element in ensuring that the Well-being Goals in the Well-being of Future Generations Act (Wales) 2015 are met. The process of writing-off unrecoverable debts ensures that financial liabilities are recognised as they occur and are not deferred as potential future liabilities.

9. EQUALITIES IMPLICATIONS

9.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

10. FINANCIAL IMPLICATIONS

10.1 As detailed in the report.

11. PERSONNEL IMPLICATIONS

11.1 There are no direct personnel implications arising from this report.

12. CONSULTATIONS

12.1 All consultation responses are reflected in the report

13. STATUTORY POWER

13.1 Local Government Act 1972 and 2000.

Author: Stephen Harris, Interim Head of Business Improvement Services & Acting S151 Officer

Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Cllr Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance & Governance

Cllr J Pritchard, Chair Policy & Resources Scrutiny Committee

Cllr G Kirby, Vice-Chair Policy & Resources Scrutiny Committee

Richard Edmunds, Corporate Director for Education & Corporate Services

John Carpenter, Finance Manager (Revenues)

Sandra Isaacs, Rents Manager

Amanda Main, Housing & Council Tax Benefits Manager

Craig Verrier, Senior Sundry Debtor Officer