



POLICY AND RESOURCES SCRUTINY COMMITTEE – INFORMATION ITEM

SUBJECT: WRITE-OFF OF DEBTS – 01/04/15 TO 31/03/16

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To provide Members with a summary of outstanding debts which have been written-off during the 2016/17 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. LINKS TO STRATEGY

- 3.1 The Council's budget is partly funded by Council Tax, rents and other sources of miscellaneous income. In order to ensure that these resources are available to meet all the Council's objectives the Authority will always seek to maximise income collection.

4. THE REPORT

- 4.1 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.
- 4.2 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 period 01/04/15 to 31/03/16: -

	Total Amounts Written Off In Period (£)	Total Budgeted Income/Grant 2015/16 (£m)	% of Total Income/Grant Written-off In Period (%)	% of Total Income/Grant Written-off 2014/15 (Full Year) (%)
Council Tax	246,612	63.4	0.39	0.36
Business Rates	627,917	40.5	1.55	1.28
Council House Rents	279,134	50.5	0.55	0.61
Sundry Debtors	442,762	27.9	1.59	0.72

- 4.3 Whilst the sums shown above are significant it is important to put them into context. The column entitled "% of Total Income/Grant Written-off In Period" shows the write-offs expressed as a percentage of the "Total Budgeted Income/Grant 2015/16", i.e. monies due to the Council. For comparison purposes the Full-Year percentages for 2014/15 are also included in the table.
- 4.4 Members will note that the percentage of Sundry Debtors written-off in 2015/16 is higher than in 2014/15. An element of this increase was due to a review of debts in relation to registered charges where the legal charges had lapsed. This review resulted in the write-off of debts totalling £92k.
- 4.5 In addition to the table in paragraph 4.2, £71,053 has also been written-off in the period 01.04.15 to 31.03.16 in relation to the invoices raised for overpayments of Housing Benefits (total invoices raised during the period £1,493,367).

5. EQUALITIES IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

- 6.1 As detailed in the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

- 8.1 There are no consultation responses that have not been reflected in this report.

9. RECOMMENDATIONS

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

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that Members are informed of sums written-off during the 2015/16 financial year.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

Author: Stephen Harris, Interim Head of Corporate Finance
Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Cllr B Jones, Deputy Leader/Cabinet Member for Corporate Services
John Carpenter, Council Tax & NNDR Manager
Sandra Isaacs, Rents Manager
Amanda Main, Housing & Council Tax Benefits Manager
Terry Thomas, Principal Incomes Officer