



Notice of meeting of

Decision Session - Executive Member for Corporate Services

To: Councillor Moore (Executive Member)

Date: Tuesday, 19 April 2011

Time: 4.15 pm

Venue: The Guildhall, York

AGENDA

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by **10:00am on Monday 18 April 2011** if an item is called in before a decision is taken, or

4.00pm on Thursday 21 April 2011 if an item is called in after a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

Any written representations in respect of the items on the agenda should be submitted to Democratic Services by 5.00pm on Friday 15 April 2011.

1. **Declarations of Interest**

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on the agenda.

2. **Minutes**

(Pages 3 - 6)

To approve and sign the minutes of the Decision Session of the Executive Member for Corporate Services held on 1 February 2011.

3. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is **5.00pm on Monday 18 April 2011**.

Members of the public may register to speak on:-

- An item on the agenda
- An issue within the Executive Member's remit
- An item that has been published on the Information Log since the last session.

4. Exclusion of Press and Public

To consider excluding the press and public from the meeting during consideration of Annex B of agenda item 5 "Bad Debt Write Off Report – Period January to March 2011" on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under Paragraphs 2 and 3 of the Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

5. Bad Debt Write Off Report - Period January to March 2011 (Pages 7 - 18)

This report presents to the Executive Member the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 January 2011 to 31 March 2011.

6. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Information Log

No items have been published on the Information Log since the last Decision Session.

Democracy Officer:

Name: Jayne Carr

Contact Details:

Telephone – (01904) 552030

Email – jayne.carr@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোআবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
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City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR CORPORATE SERVICES
DATE	1 FEBRUARY 2011
PRESENT	COUNCILLOR MOORE (EXECUTIVE MEMBER)
IN ATTENDANCE	COUNCILLOR GUNNELL

16. DECLARATIONS OF INTEREST

The Executive Member was invited to declare at this point in the meeting any personal or prejudicial interests he might have in the business on the agenda. None were declared.

17. MINUTES

RESOLVED: That the minutes of the Decision Session held on 19 October 2010 be approved and signed by the Executive Member as a correct record.

18. PUBLIC PARTICIPATION

It was reported that there were no registrations to speak under the council's Public Participation Scheme.

19. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex B of agenda item 5 "Bad Debt Write Off Report – Period October to December 2010" on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under paragraphs 2 and 3 of Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

20. BAD DEBT WRITE OFF REPORT - PERIOD OCTOBER TO DECEMBER 2010

The Executive Member received a report that presented the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for the write-off covering the period October to December 2010.

The Executive Member was asked to consider whether to write-off the over £5k accounts in line with the council's Financial Regulations, or to leave to the accounts on the council's accounts.

The Executive Member was also asked to consider the Debt Write Down Procedure, as detailed in Annex D of the report. The procedure detailed the process to be followed when Court Orders in respect of a debt instructed a low payment arrangement, the level of which meant that the debt would never be fully recovered in the lifetime of a debtor. These cases were not written off and were regularly reviewed in case of a change in the customer's financial circumstances.

- RESOLVED: (i) That the write off of bad debt, as set out at Table 1 and Annex B of the report, be approved.
- (ii) That the write down policy in respect of low payment arrangements, as detailed in Annex D of the report, be approved.

REASON: To remove irrecoverable bad debt from the council's accounts in accordance with accountancy best practice.

21. 2011/12 CORPORATE SERVICES BUDGET PROPOSALS

The Executive Member received a report as part of the consultation on the 2011/12 budget process. The report presented the 2011/12 budget proposals for Customer and Business Support Services and included:

- 2011/12 Base Budget, as set out in paragraph 18 of the report;
- Service pressure proposals, as set out in Annex 2 of the report;
- Savings proposals set out in Annex 3 of the report;
- Fees and charges, as set out in Annex 4 of the report

The Executive Member was invited to consider whether the budget proposals were in line with the council's priorities and to comment on the budget proposals for savings and growth, which had been prepared by officers and contained in the report. The proposals were intended to form part of the council's budget to be considered by the Budget Executive on 15 February 2011. Budget Council would be held on 24 February 2011 and would make decisions on the overall budget for the council.

Officers went through the key issues in the report. The Executive Member noted the savings that had already been made within the directorate, including those implemented through the More for York programme.

It was noted that all growth in the directorate would be self-funding, other than the costs of the local elections. From 2012/13 onwards it was proposed to set aside £70k per annum in order to build up the budget required for the local election cycle.

- RESOLVED: (i) That it be confirmed that the budget proposals are in line with the council's priorities.
- (ii) That the report be referred to Budget Executive.
- (iii) That thanks be recorded to staff for their hard work in preparing the report.

REASON: As part of the 2011/12 budget consultation.

Councillor R Moore – Executive Member
[The meeting started at 3.00 pm and finished at 3.10 pm].

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Executive Member for Corporate Services

19 April 2011

Report of the Assistant Director of Customer & Business Support Services (Head of Financial Services)

Bad Debt Write Off Report – Period January to March 2011

Summary

- 1 This report presents to the Executive Member for Corporate Services the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 January 2011 to 31 March 2011. The last write-off report was presented to the Executive Member for Corporate Services on 1 February 2011 for the period 1 October 2010 to 31 December 2010.

Background

- 2 The council's Constitution and supporting Financial Regulations delegate the responsibility for writing-off all individual debts up to and including £5k to Chief Officers in consultation with the Chief Financial Officer (CFO) under the officer scheme of delegation. Above this threshold debts are written-off in consultation with the Executive Member for Corporate Services. Any exceptional debts with an individual value above £200k may only be written off on the authority of the Executive.
- 3 The council only writes off debt where it is irrecoverable for example where a customer has died and has no assets, or a business is bankrupt and has no assets. As part of the process undertaken before a debt is written off in respect of a limited company in liquidation checks are undertaken to ensure the company is a registered limited company and a charge registered in respect of the outstanding debt. This process includes reference to the Companies House web-site which can also show if the company has registered at a new address. The only exception to this is where a debt is not cost effective to recover.
- 4 There are occasions where case law means the council is unable to pursue a debt following discharge from bankruptcy where Housing or Council Tax Benefit is involved. The precedent for this was set by the Court of Appeal (Balding CO/7636/2006).
- 5 The council's in year collection rate for CT (2009/10) was 97.5% compared to 97.19% (2008/09) and placed York above the Unitary average of 97%. There was a 98.3% collection rate in 2009/10 for

NNDR compared to 97.52% (2008/09) and placed York above the Unitary average of 97.4%. The 2010/11 collection rates will be reported in the first quarter Write Off report 2011/12. The total collection rate for Sundry Debtor accounts is in excess of 99%.

- 6 The council is prudent in managing bad debt and makes provision for them in its annual statement of accounts. This ensures that the writing off of bad debt has no detrimental affect on service provision or the council taxpayer. In the case of NNDR the Government meets the cost of writing off bad debt as this is taken from the value collected before it is passed on to central Government ensuring no cost to the local taxpayer. The fact a debt has been written off does not mean that the council will not where possible try to recover it at a later date. In this quarter in excess of £9K of debt has been written back onto the accounts with the earliest debt been from the 1997 year.

Debt to be written off 1 January 2011- 31 March 2011

- 7 Details of accounts with individual values above £5k in respect of Housing Benefit Overpayment and Sundry Debtors are set out at Annex A excluding any personal data, and in detail in confidential Annex B of this report respectively. The total value of the accounts to be written off this period is £323,175.31 and Table 1 below shows the value of accounts by each area of debt.

Table 1

Debt Write -Off Summary 1 January 2011 - 31 March 2011			
Fund	Over £5K	Under & Inc £5K	Total
National Non-Domestic Rates	0.00	0.00	0.00
Council Tax	0.00	106,104.76	106,104.76
Housing Benefit Overpayment	6,633.86	38,725.58	45,359.44
Sundry Debtors	34,492.43	137,218.68	171,711.11
Grand Total	41,126.29	282,049.02	323,175.31

- 8 The figures alone do not reflect the overall performance of the recovery teams. This can be more clearly demonstrated when the figures are compared to the value of debts raised. A more detailed breakdown of the debt write off relating to each year from 2002/03, compared to the respective value of accounts raised is set out at Annex C.
- 9 The council is continuing to develop and improve the efficiency of its income collection and will be working during 2011/12 to further improve its performance in the collection of both in year and prior year debt across all of the council’s income streams.

Consultation

- 10 No consultation was necessary in the production of this report.

Options

- 11 There are two options for the Executive Member for Corporate Services to consider in relation to this report. These are:
- a) to write off the over £5k accounts totalling £41,126.29 in line with the council's Financial Regulations;
 - b) to leave the accounts on the council's accounts, but acknowledging the risk of doing so as laid down in paragraph 15 below.

Analysis

- 12 All analysis is contained in the annexes to this report.

Corporate Priorities

- 13 The effective and efficient management of income collection directly supports the corporate strategy objective of delivering an Effective Organisation. Improved income to the council also provides cross-cutting financial support in delivering all eight corporate objectives.

Implications

- 14
- (a) **Financial** – The Assistant Director of Customer & Business Support Services (Corporate Finance) has been consulted in relation to this report and has confirmed that there is adequate provision to meet the value of the accounts to be written off.
 - (b) **Human Resources (HR)** - There are no implications
 - (c) **Equalities** - There are no implications
 - (d) **Legal** - There are no implications
 - (e) **Crime and Disorder** - There are no implications
 - (f) **Information Technology (IT)** - There are no implications
 - (g) **Property** - There are no implications

Risk Management

- 15 If proper debt management and accounting procedures are not followed in the management and writing off of debt then the council could be criticised by the external auditor.

Recommendations

16 The Executive Member for Corporate Services is asked to:

a) approve the write off of bad debt as set out at Table 1 above and in the confidential annexe B attached to this report.

Reason

To remove irrecoverable bad debt from the council's accounts in accordance with accountancy best practice.

Contact Details

Author:

David Walker
Head of Financial Procedures
Phone No 01904 552261

Chief Officer Responsible for the report:

Keith Best
Assistant Director of Financial Services
Customer and Business Support Services

Report Approved



Date 31 March 11

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Write off Report January 2011

Non-Confidential Annexes

Annex A - Accounts to be written off over £5k excluding personal data
Annex C - Debt Write off by year account raised

Confidential Annexes

Annex B - Accounts to be written off over £5k including personal data

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Over £5000 Write Offs

Annex A

Sundry Debts Write Off

ACCOUNT	DATE OF ACCOUNT		Year	W-Off AMOUNT (£)	Reason	Total
SS60463933	21-Sep-06	Care charges	2006/07	£8,351.90	No assets	
				£8,351.90	Debtor Deceased Total	
DR01057175	4-May-01	Care charges	2001/02	£4,480.00	Debt outstanding over 6 years	
DR01612086	3-Dec-02	Care charges	2002/03	£1,724.92	Debt outstanding over 6 years	
DR01990300	30-Jun-04	Car Loan + interest	2004/05	£8,513.93	Unable to trace	
				£14,718.85	Debt Over 6 Years Old Total	
9100099022	24-Jul-09	Care charges	2009/10	£351.50	Unable to establish means to pay	
9100121013	21-Aug-09	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100142018	22-Sep-09	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100163204	16-Oct-09	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100184380	12-Nov-09	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100207131	11-Dec-09	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100247353	4-Feb-10	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100271183	5-Mar-10	Care charges	2009/10	£432.40	Unable to establish means to pay	
9100296139	7-Apr-10	Care charges	2010/11	£432.40	Unable to establish means to pay	
9100354314	25-Jun-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
9100376910	26-Jul-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
9100399366	19-Aug-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
9100418593	17-Sep-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
9100443115	15-Oct-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
9100483751	10-Dec-10	Care charges	2010/11	£441.20	Unable to establish means to pay	
				£6,457.90		
					Totals	£29,528.65

Housing Benefit Overpayments Write Off

Claim No.	RELEVANT PERIOD		Year	W-Off AMOUNT (£)	W/O Reason	
00017065	02-Apr-01	31-Mar-02	2001/02	£2,480.87	Recovery routes exhausted	
00017065	01-Apr-02	22-Dec-02	2002/03	£2,088.14	Recovery routes exhausted	
00017065	06-Jan-03	23-Mar-03	2002/03	£617.43	Recovery routes exhausted	
00017065	07-Apr-03	17-Aug-03	2003/04	£1,097.06	Recovery routes exhausted	
00017065	18-Aug-03	14-Sep-03	2003/04	£230.96	Recovery routes exhausted	
00017065	07-Feb-05	13-Feb-05	2004/05	£59.70	Recovery routes exhausted	
00017065	14-Feb-05	20-Feb-05	2004/05	£59.70	Recovery routes exhausted	
				£6,633.86		
					Total	£6,633.86

GRAND TOTAL	£36,162.51
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Annex C

Year & Fund	Total Charges Raised	Total Value Written off this period	Total Value Written off To Date **	Percentage Written off
<u>NNDR</u>				
2010/11	£84,304,338	£88	£28,959	0.03%
2009/10	£83,723,014	-£2,447	£138,105	0.16%
2008/09	£81,598,658	-£2,191	£307,084	0.38%
2007/08	£76,665,146	£1,247	£321,196	0.42%
2006/07	£72,709,037	£1,621	£203,654	0.28%
2005/06	£66,793,585	£0	£186,321	0.28%
2004/05	£65,292,579	-£5	£400,640	0.61%
2003/04	£63,102,660	£0	£546,763	0.87%
2002/03	£61,850,351	£0	£400,719	0.65%
<u>Sundry Debtors</u>				
2010/11	£45,544,388	£16,653	£17,581	0.04%
2009/10	£53,874,242	£38,169	£82,801	0.15%
2008/09	£52,093,892	£27,726	£111,560	0.21%
2007/08	£47,608,847	£14,261	£85,569	0.18%
2006/07	£52,876,432	£17,226	£108,991	0.21%
2005/06	£52,330,126	£23,894	£172,763	0.33%
2004/05	£36,986,021	£17,172	£350,013	0.95%
2003/04	£41,656,971	£5,485	£81,348	0.20%
2002/03	£34,543,460	£3,960	£134,476	0.39%
<u>Council Tax</u>				
2010/11	£81,964,567	£38,450	£65,444	0.08%
2009/10	£79,870,509	£38,049	£183,271	0.23%
2008/09	£77,115,361	£12,204	£276,293	0.36%
2007/08	£73,149,211	£5,759	£274,686	0.38%
2006/07	£69,508,184	£4,342	£318,533	0.46%
2005/06	£65,661,542	£3,393	£309,616	0.47%
2004/05	£62,171,239	£2,644	£254,706	0.41%
2003/04	£56,427,886	£1,427	£552,416	0.98%
2002/03	£51,300,730	£68	£509,904	0.99%
<u>HB Overpayment</u>				
2010/11	£1,361,564	£7,749	£19,442	1.43%
2009/10	£1,285,711	£3,899	£48,078	3.74%
2008/09	£1,496,654	£3,799	£63,577	4.25%
2007/08	£1,081,152	£4,008	£47,214	4.37%
2006/07	£841,495	£4,035	£60,409	7.18%
2005/06	£1,653,350	£4,550	£93,102	5.63%
2004/05	£725,982	£4,572	£131,326	18.09%
2003/04	£665,271	£7,271	£126,536	19.02%
2002/03	£516,204	£2,966	£144,088	27.91%
<u>Category Totals</u>				
NNDR	£656,039,368	-£1,687	£2,533,442	0.39%
Sundry Debtors	£417,514,379	£164,545	£1,145,100	0.27%
Council Tax	£617,169,230	£106,337	£2,744,870	0.44%
HB Overpayments	£9,627,383	£42,850	£733,770	7.62%
Grand Total	£1,700,350,360	£312,045	£7,157,182.41	0.42%

** (the totals shown include the values in this write off cycle)

Figures prefixed - represent debt written back on

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