

**Executive Member for Corporate Services  
and Advisory Panel**

21<sup>st</sup> October 2008

**Report of the Director of Resources**

**National Non-Domestic Rates/Sundry Debtors/Council Tax  
And Overpaid Housing Benefit and Car Park Charges  
Accounts Submitted For Write-Off**

**Summary**

1. This report provides Members with details of the value of irrecoverable accounts under £2,000 that have been written off under delegated authority in the current financial year. These accounts are for NNDR, Sundry Debts, Council Tax, Housing Benefit Overpayments and irrecoverable Car Park charges.
2. This submission does not include any accounts that are over £2,000 which require Member approval to write-off.
3. This is the first submission of write-offs for 2008/09 by the Head of Finance, in line with arrangements to report on a regular basis, in order to keep accounts more up to date. The Executive Member for Corporate Services approved the last report on 18<sup>th</sup> March 2008
4. Cases where the debt is under £2,000 have been written off under the delegated authority given to the Head of Finance, debts identified as irrecoverable this year are as follows (amounts rounded). The 'year to date' figures refer to amounts written off under delegated authority since April 2008.

<b>Fund</b>	<b>Year to Date £</b>	<b>This submission (Cases under £2000)</b>	<b>This submission (Cases over £2000)</b>	<b>Total in 07/08 £</b>	<b>Value of Bills Raised in 2008/09 £</b>
National Non-Domestic Rates	41,748	41,748	Nil	41,748	85.1m
Sundry Debtors	17,178	17,178	Nil	17,178	22.7m

Council Tax	249,158	249,158	Nil	249,158	78.5m
Overpaid Housing Benefit	49,782	49,782	Nil	49,782	0.32m
Car-Park Charges	Nil	Nil	Nil	Nil	0.21m
<b>Overall Total</b>	<b>357,866</b>	<b>357,866</b>	<b>0.00</b>	<b>357,866</b>	<b>186.8m</b>

## Background

- 5 Since April 1990 the rates levied on all non-domestic properties have been set nationally and all monies collected are paid into the National Pool.
- 6 The amounts written-off for NNDR are offset against contributions to the Pool and, as such, all sums written off are met by Central Government rather than by local Council Tax payers.
- 7 Sundry Debtor charges are raised for goods and services that have been provided by the individual departments within the Authority. These charges include such services as commercial waste collection, shop rents, works carried out by Neighbourhood Services, housing repairs, homecare and warden call.
- 8 Housing Benefit overpayments occur when a customer receives more benefit than they are legally entitled to. The main reason why these occur is usually due to a failure by customers to report changes in their circumstances (whether fraudulent or otherwise). When it is not possible to recover the overpayment by reducing future payments of benefit, the customer is sent an invoice for payment.
- 9 Car Park charges are issued for car parking infringements. This has not been reported in the past as no write off's have been made to date.
- 10 During the process of collection of all debts, it is apparent to Managers within Financial Services that, for a number of reasons, particular debts will not be honoured by the debtor concerned. These debts become irrecoverable and must be considered for write-off to allow prudent management of the debt portfolio.
- 11 Members have given delegated authority to the Head of Finance to write-off debts up to a maximum value of £2,000 per debt. The purpose of this report is to advise Members of the amount written off by the Head of Finance under delegated authority.

## Consultation

12 Not relevant to this report.

## Options

13 To advise Members of the amount of £357,866 that has been written off to September 2008 as shown in para. 4.

14 No amounts require the approval as there are no individual debts in this report that total over £2,000.

## Analysis

15 The very nature of debt recovery inherently involves the identification of debts that will not be paid and a recognition that such debts become irrecoverable and must be written off. As illustrated above there are a number of reasons why debts become irrecoverable and are written off.

16 Financial regulations and prudent financial management dictate that provision for bad debts is made in the Council's accounts. The following provision has been made in the Council's accounts in 2008/09 (rounded to the nearest '000):

	£k
NNDR	1,440
Sundry Debtors	448
Council Tax	2,957
Poll Tax	2
Overpaid HB	1,798

## Corporate Priorities

17 The Corporate Priority relevant to this report is to 'Improve efficiency and reduce waste to free-up more resources' It would be counter productive to use Officer's time to try and recover debts that we are aware are irrecoverable. It is more efficient to utilise Officer resources in pursuing debts that are recoverable.

## Implications

### Financial

18 The values for write off this financial year fall well within the bad debt provision (para. 30)

19 There are no HR, Equality, Legal, Crime and Disorder, Information Technology or Property implications

## Risk Management

20 Not relevant to this report

## Recommendations

21 To advise the Executive Member to note the amount of £357,866 (shown in para. 4) of accounts valued at less than £2,000 written off in the 2007/08 financial year under the Head of Finance's delegated authority.

Reason: For information and to enable the Executive Member to monitor action taken under delegated powers.

## Contact Details

**Author:**  
Jenny Smithson  
Payroll & Payments Manager  
Resources  
01904 551122

**Chief Officer Responsible for the report:**  
Ian Floyd  
Director of Resources  
Resources  
01904 551100

**Report  
Approved**



**Date** 4<sup>th</sup> October 2008

**Specialist Implications Officer(s)** Head of Finance

**Wards Affected:**

All



**For further information please contact the author of the report**

## Background Papers

Files can be found at the Local Taxation Section and Customer Accounts Section City Finance Centre Library Square.