



Notice of meeting of

Decision Session - Executive Member for Corporate Services

To: Councillor Moore (Executive Member)

Date: Tuesday, 20 October 2009

Time: 4.15 pm

Venue: The Guildhall, York

AGENDA

Notice to Members – Calling In

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10.00 am on Monday 19 October 2009 if an item is called in before a decision is taken, or

4.00pm on Thursday 22 October 2009 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 **5.00 pm on Friday 16 October 2009.**

1. Declarations of Interest

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

2. Minutes (Pages 3 - 4)

To approve and sign the minutes of the last Decision Session of the Executive Member for Corporate Services held on 16 June 2009.

3. Exclusion of Press and Public

To consider excluding the press and public from the meeting during consideration of Annexes A to D of agenda item 5 "Bad Debt Write-Off Report – Period April to September 2009" 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.

4. 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 **Monday 19 October 2009 at 5.00 pm.**

5. Bad Debt Write Off Report: April to September 2009 (Pages 5 - 22)

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 April 2009 to 30 September 2009.

6. Urgent Business

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

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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About City of York Council Meetings

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.

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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;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR CORPORATE SERVICES
DATE	16 JUNE 2009
PRESENT	COUNCILLOR MOORE (EXECUTIVE MEMBER)

1. 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.

2. MINUTES

RESOLVED: That the minutes of the last meeting of the Executive Member for Corporate Services Advisory Panel held on 20 January 2009 be approved and signed as a correct record.

3. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annexes A to D of agenda item 5 (Bad Debt Write-Off Report 2008/09) 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.

4. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

5. BAD DEBT WRITE-OFF REPORT 2008/09

The Executive Member received a report on the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write off 2008/09.

The Executive Member was asked to consider whether to write off the over £2k accounts totalling £614,263 or to leave the accounts on the council's accounts.

RESOLVED: That the Executive Member approved the write off of bad debt as set out at Table 1 of the report and in the detailed confidential annexes A-D attached to the report.

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

Councillor R Moore, Chair

[The meeting started at 4.35 pm and finished at 4.37 pm].



Executive Member for Corporate Services

20 October 2009

Report of the Assistant Director (Customer Service & Governance)

Bad Debt Write Off Report – Period April to September 2009

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 April 2009 to 30 September 2009. The last write-off report to come before the Executive Member for Corporate Services was on 16 June 2009 for the 2008/09 year.

Background

- 2 The council's Constitution and supporting Financial Regulations delegate the responsibility for writing-off all individual debts in excess of £2,000 to the Executive Member for Corporate Services. The debts with individual values below this amount are written-off by the Chief Financial Officer (Director of Resources) under the officer Scheme of Delegation.
- 3 The council only writes off debt where it is irrecoverable for example where a customer has died, or a business is bankrupt. The only exception to this is where a debt is not cost effective to recover.
- 4 The council's in year collection rate for CT (2008/09) is in excess of 97% and puts York above the Unitary average of 96.7%. The collection rate for Sundry Debtor accounts is in excess of 99% with NNDR having a 97.52% (2008/09) collection rate, which is down slightly on 2007/08 (98%) but reflects the current economic conditions.
- 5 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.

Debt to be written off 1 April 09 – 30 September 09

- 6 Details of accounts with individual values above £2,000 in respect of CT, NNDR, Sundry Debtors and Housing Benefit Overpayment are set out in confidential Annexes A to D of this report respectively. The value

of the accounts to be written of this period is £629,654. Table 1 below shows a comparison between the total value of accounts written off in 2008/09 and the value for this year (2009/10) as at 30 September 2009.

Table 1

Debt Write -Off Summary 2009/10						
Fund	This Period		This Year		Total	Totals 2008/09
	Over £2K	Under £2K	Over £2K	Under £2K		
National Non-Domestic Rates	£182,132	£13,553	£182,132	£13,553	£195,685	£391,383
Council Tax	£78,722	£274,943	£78,722	£274,943	£353,665	£431,467
Housing Benefit Overpayment	£4,268	£47,128	£4,268	£47,128	£51,396	£89,144
Sundry Debtors	£28,660	£250	£28,660	£250	£28,909	£216,772
Grand Total	£293,781	£335,873	£293,781	£335,873	£629,654	£1,128,765

- 7 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, compared to the respective value of accounts raised is set out at Annex E.
- 8 The council is continuing to develop and improve the efficiency of its debt collection and is working with the 'More for York' programme during 2009/10 to further improve its performance in the collection of both in year and prior year debt across all the council's income streams.

Consultation

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

Options

- 10 There are two options for the Executive Member for Corporate Services to consider in relation to this report. These are:
- i. to write off the over £2,000 accounts totalling £293,781
 - ii. to leave the accounts on the council's accounts.

Analysis

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

Corporate Priorities

- 12 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

13

- (a) **Financial** – The Assistant Director of Resources (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

- 14 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 as part of the annual Use of Resources Assessment.

Recommendations

15. The Executive Member for Corporate Services is asked to approve the write off of bad debt as set out at Table 1 above and in Annexes A – D 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:

Pauline Stuchfield
Assistant Director of Resources (Customer
Service & Governance)

Report Approved

Date 8th October 2009

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 2008/09

Confidential Annexes

Annex A Council Tax Accounts Over £2,000
Annex B NNDR Accounts Over £2,000
Annex C Sundry Debtor Accounts Over £2,000
Annex D Housing Benefit Accounts Over £2,000

Non-Confidential Annexes

Annex E Debt Write off by year account raised

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Annex E

Year & Fund	Total Charges Raised	Total Value Written off this Period	Total Value Written off To Date **	Percentage Written off
<u>NDR</u>				
2009/10	£86,412,184	£13,529	£13,529	0.02%
2008/09	£81,880,311	£98,706	£229,236	0.28%
2007/08	£76,387,278	£57,658	£238,321	0.31%
2006/07	£72,534,211	£14,557	£168,124	0.23%
2005/06	£66,969,000	£4,015	£181,133	0.27%
2004/05	£65,292,579	£6,612	£399,518	0.61%
2003/04	£63,102,660	£0	£545,069	0.86%
2002/03	£61,850,351	£568	£395,363	0.64%
<u>Sundry Debtors</u>				
2009/10	£45,327,849	£0	£0	0.00%
2008/09	£52,093,892	£16,973	£32,842	0.06%
2007/08	£47,608,847	£0	£42,248	0.09%
2006/07	£52,876,432	£0	£79,396	0.15%
2005/06	£52,330,126	£0	£137,414	0.26%
2004/05	£36,986,021	£0	£326,429	0.88%
2003/04	£41,656,971	£0	£73,690	0.18%
2002/03	£34,543,460	£0	£128,817	0.37%
<u>Council Tax</u>				
2009/10	£80,934,247	£6,535	£6,535	0.01%
2008/09	£77,115,361	£101,915	£139,868	0.18%
2007/08	£73,149,211	£76,422	£215,452	0.29%
2006/07	£69,508,184	£45,582	£287,304	0.41%
2005/06	£65,661,542	£45,224	£281,499	0.43%
2004/05	£62,171,239	£34,289	£238,672	0.38%
2003/04	£56,427,886	£20,845	£544,899	0.97%
2002/03	£51,300,730	£9,979	£507,423	0.99%
<u>HB Overpayment</u>				
2009/10	£603,226	£9,216	£9,216	1.53%
2008/09	£1,496,654	£17,382	£38,060	2.54%
2007/08	£1,081,152	£3,188	£21,642	2.00%
2006/07	£841,495	£4,119	£43,725	5.20%
2005/06	£1,653,350	£4,290	£69,446	4.20%
2004/05	£725,982	£4,678	£112,444	15.49%
2003/04	£665,271	£4,317	£99,561	14.97%
2002/03	£516,204	£2,040	£130,477	25.28%

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

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