


**NORTH LINCOLNSHIRE COUNCIL  
OFFICER DECISION NOTICE AND RECORD  
(PUBLISHED)**

<b>1. DECISION TAKEN</b>			
To write off uncollectable debt 2018/2019			
<b>EXECUTIVE</b>	<input checked="" type="checkbox"/>	<b>NON-EXECUTIVE</b>	<input type="checkbox"/>
<small>(Please tick either)</small>			
<b>IS THIS A 'KEY DECISION' ? (see definition overleaf)</b>			Yes <input type="checkbox"/>
			No <input checked="" type="checkbox"/>
<b>DOES THIS DECISION RELATE TO EXEMPT INFORMATION?</b>			Yes <input type="checkbox"/>
			No <input checked="" type="checkbox"/>
<b>EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)</b>			

<b>2. OFFICER DECISION TAKER</b>	<p><b>NAME</b> Becky McIntyre.....</p> <p><b>POSITION/POST</b> Director Governance &amp; Partnerships.....</p> <p style="text-align: center;"></p> <p><b>SIGNATURE</b></p> <p><b>DATE</b> 23 January 2019</p>
<b>3. REASONS FOR THE DECISION</b> <small>(Please ref to any report/minute/background documents attached)</small>	<p>To approve the recommendations of the attached Uncollectable Debt 18/19 report, noting debts already written off under delegated powers in Appendix 1 along with approval of debts requiring write off in Appendix 1.</p> <p>This is necessary for North Lincolnshire Council to ensure effective management of outstanding debt and is in accordance with prudent accounting methods and bad debt provisions within the annual accounts.</p>
<b>4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))</b>	<p>Not applicable as a periodic review of outstanding debts is necessary to ensure effective management of outstanding debt.</p>
<p><i>TO BE COMPLETED BELOW - ONLY WHEN A DELEGATED OFFICER DECISION REQUIRES PRIOR CONSULTATION WITH A MEMBER (LEADER OF THE COUNCIL, CABINET MEMBER/CHAIRMAN OF A COMMITTEE) IN ACCORDANCE WITH THE 'SCHEME OF DELEGATIONS TO OFFICERS' OR DECISION/MINUTE OF COUNCIL/COMMITTEE OR DECISION/MINUTE OF CABINET/CABINET MEMBER.</i></p>	
<b>5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER</b>	<p><b>COUNCILLOR</b> Julie Reed.....</p> <p><b>POSITION</b> Cabinet Member Finance and Governance</p> <p>Consulted during scheduled meeting 16 January 2019</p>
<b>6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED,</b>	<p><b>None</b></p>

WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN	
7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)	N/A

**PLEASE REMEMBER TO ATTACH ANY ACCOMPANYING REPORT.**

**WHEN COMPLETE, PLEASE SEND TO HEAD OF DEMOCRATIC SERVICES, CIVIC CENTRE, SCUNTHORPE FOR PUBLISHING.**

**(The definitions of a key decision** are when an **executive** decision is likely -

(i) to result in the Council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year; or

(ii) to be significant in terms of its effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority).

**NORTH LINCOLNSHIRE COUNCIL**

**DIRECTOR OF GOVERNANCE &  
PARTNERSHIPS**

**ANNUAL REVIEW OF UNCOLLECTABLE DEBT 2018/2019**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 This is an annual review of debt due to the council and focuses on those debts which are proving difficult to collect. This includes debts carried over from previous financial years.
- 1.2 It provides assurance that all appropriate measures are taken to recover monies due to the Council.
- 1.3 It contains details of debts already written off in the year under Directors' delegated powers and seeks approval for further write-off.
- 1.4 The key points in this report are as follows:
  - Debt is only proposed for write-off after all debt recovery options have been explored
  - The debt put forward for write-off will remain in the Council's records and will be available for collection in the future should circumstances change.
  - A provision for uncollected debt is already provided for in the council's budget and financial plan.

**2. BACKGROUND INFORMATION**

- 2.1 The council has arrangements for the collection of a wide range of debts. The most significant are council tax and business rates (NNDR), but there are other monies due to the council such as housing benefit overpayments; charges for services provided; and the collection of car parking fines.
- 2.2 There are circumstances which can make debt unavailable for collection (a person is deceased, missing, or has filed for bankruptcy; a business has gone into administration) or uneconomical to collect (the cost of collection outweighs the amount of debt). In these circumstances the debt is written-off in the council's accounts but kept on the councils records should circumstances change. This is a prudent approach to ensure that the council does not spend income it cannot reasonably expect to collect.

- 2.3 The council takes positive steps to ensure all debt recovery options are explored prior to recommending write-off and these actions include; use of tracing services, financial searches, social media searches, enforcement agents, earnings attachments, payment arrangements, court actions and summons.
- 2.4 It is important to note that once written off the debts will remain in the Council's records and available for payment in the future should this be appropriate. For example in the past 12 months £24,432 of council tax debt and £11,435 of NNDR previously written off has been recovered due to tracing debtors or account adjustments.
- 2.5 Under Delegations to Officers, July 2017, Directors can 'write off all types of debtor account up to £5,000 for any one debtor following consultation with the Director: Governance & Partnerships'. The Director: Governance and Partnerships can write off all types of debts, but where over £5,000 following consultation with the Cabinet Member: Finance and Governance.

### **3. OPTIONS FOR CONSIDERATION**

- 3.1 For Council Tax, National Non Domestic Rate (NNDR), Housing Benefit Overpayments, Sundry Debtors and Car Parking Penalty Charges following all recovery action the debts for write-off are identified in **Appendix 1** with the reasons for write-off.
- 3.2 Overpayments are investigated and refunds issued. However, where there has been no response to the council's correspondence, or no forwarding address is known, under delegated powers the Director of Governance & Partnerships has written-off the credit balances. A refund will still be issued where details become known in the future.

### **4. ANALYSIS OF OPTIONS**

- 4.1 A periodic review of outstanding debts is necessary for North Lincolnshire Council to ensure effective management of outstanding debt. The amounts in this report are in accordance with prudent accounting methods and bad debt provisions within the annual accounts. To date limited use has been made by Directors of the delegated power to write off debts under £5,000.
- 4.2 For future periods more frequent write-offs are proposed.

## 5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 The total amounts for write off by category are;

	<u>2018/2019</u>
Council Tax	£352,797.00
National Non Domestic Rate	£699,775.44
Housing Benefit Overpayment	£118,846.35
Sundry Debtors*	£110,525.61
Car Parking Penalty Charge Notices	<u>£64,371.97</u>
	£1,346,316.37
*Sundry Debtors already approved in year	<u>£6,038.10</u>
	<u>£1,352,354.47</u>

The council's financial plans already include provisions for uncollectable debt. The above write-offs are within allowances already made. The level of debt to be written off is less than the previous year.

Appendix 1 categorises whether the debt is already written off in year, or is to be written-off and is under or over £5,000. Of the total debt presented for write-off, 57.24% relates to accounts over £5,000.

5.2 There are no staffing, property or I.T. implications.

## 6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 Not applicable.

## 7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 No consultation is required in respect of Council Tax, National Non Domestic Rate (NNDR), Housing Benefit Overpayments, Car Parking Penalty Charge Notices and Creditors.

7.2 Under Delegations to Officers, July 2017, Directors can 'write off all types of debtor account up to £5,000 for any one debtor following consultation with the Director: Governance & Partnerships'. This has been done for the amounts reported in Appendix 1.

7.3 The Director: Governance and Partnerships can write off all types of debts, but where over £5,000 following consultation with the Cabinet Member: Finance and Governance. The relevant cabinet member has been consulted on the report and debt write off proposed.

7.4 There are no known conflicts of interest to declare.

## **8. RECOMMENDATIONS**

- 8.1 That the debts written-off under delegated powers listed in Appendix 1 are noted.
- 8.2 That approval is given to write-off debts identified 'for write-off' listed in Appendix 1.
- 8.3 That these debts will remain in the Council's records and available for payment in the future should they become available.

### HEAD OF FINANCIAL SERVICES

Civic Centre  
Ashby Road  
Scunthorpe  
North Lincolnshire  
DN16 1AB

Authors: Brian Nightingale/ Peter Fijalkowski  
Date: 20 December 2018

Background Papers used in the preparation of this report:  
Write off summaries

## ANALYSIS OF DEBT WRITE-OFFS

## APPENDIX 1

	Under £5,000 for write-off (A)	Over £5,000 for write-off (B)	Sub Total (A+B)	Under £5,000 Already written off	Grand Total
	£	£	£	£	£
<b>Council Tax</b>					
Small balances, uneconomic to pursue	10.42	0.00	10.42	0.00	10.42
Living Abroad	7,392.75	0.00	7,392.75	0.00	7,392.75
Deceased, no estate	26,141.82	0.00	26,141.82	0.00	26,141.82
Gone away, no trace	181,446.33	5,178.27	186,624.60	0.00	186,624.60
Bankrupt/Liquidation	85,826.21	18,783.06	104,609.27	0.00	104,609.27
Irrecoverable	21,746.78	0.00	21,746.78	0.00	21,746.78
In Prison	6,271.36	0.00	6,271.36	0.00	6,271.36
<b>Total</b>	<b>328,835.67</b>	<b>23,961.33</b>	<b>352,797.00</b>	<b>0.00</b>	<b>352,797.00</b>
<b>NNDR</b>					
Gone away, no trace	272.48	7,224.35	7,496.83	0.00	7,496.83
Insolvency	17,137.29	522,698.34	539,835.63	0.00	539,835.63
Company Dissolved	26,144.73	117,829.08	143,973.81	0.00	143,973.81
Ceased Trading	-2,911.40	0.00	-2,911.40	0.00	-2,911.40
Irrecoverable	151.36	0.00	151.36	0.00	151.36
Living Abroad	4,233.14	5,199.02	9,432.16	0.00	9,432.16
Deceased	1,797.05	0.00	1,797.05	0.00	1,797.05
<b>Total</b>	<b>46,824.65</b>	<b>652,950.79</b>	<b>699,775.44</b>	<b>0.00</b>	<b>699,775.44</b>
<b>Housing Benefit Overpayments</b>					
Small balances, uneconomic to pursue	1,355.63	0.00	1,355.63	0.00	1,355.63
Deceased, no estate	18,838.49	10,955.66	29,794.15	0.00	29,794.15
Residential Care	1,204.27	0.00	1,204.27	0.00	1,204.27
Recovery procedure exhausted	15,811.71	6,494.70	22,306.41	0.00	22,306.41
Insolvency	23,583.34	33,186.11	56,769.45	0.00	56,769.45
In prison	998.64	0.00	998.64	0.00	998.64
Abroad	6,440.80	0.00	6,440.80	0.00	6,440.80
Small untraceable refunds	-23.00	0.00	-23.00	0.00	-23.00
<b>Total</b>	<b>68,209.88</b>	<b>50,636.47</b>	<b>118,846.35</b>	<b>0.00</b>	<b>118,846.35</b>
<b>Sundry Debts</b>					
Operations	9,723.15	0.00	9,723.15	0.00	9,723.15
Business Development	14,330.64	17,618.77	31,949.41	0.00	31,949.41
Learning Skills & Culture	158.70	0.00	158.70	923.09	1,081.79
Governance & Partnership	0.00	0.00	0.00	2,787.01	2,787.01
Adults & Community Wellbeing	40,773.87	28,920.24	69,694.11	0.00	69,694.11
Children & Community Resilience	0.00	0.00	0.00	36.00	36.00
Public Health	0.00	0.00	0.00	2,292.00	2,292.00
Small Sundry Debtor overpayment write offs	-55.77	0.00	-55.77	0.00	-55.77
Sundry Debtor refund cheques not cashed	-943.99	0.00	-943.99	0.00	-943.99
<b>Total</b>	<b>63,986.60</b>	<b>46,539.01</b>	<b>110,525.61</b>	<b>6,038.10</b>	<b>116,563.71</b>
<b>Car Parking Penalty Charge Notices</b>					
	64,371.97	0.00	64,371.97	0.00	64,371.97
	<b>572,228.77</b>	<b>774,087.60</b>	<b>1,346,316.37</b>	<b>6,038.10</b>	<b>1,352,354.47</b>