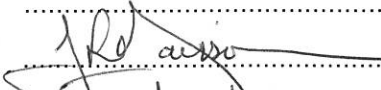


**NORTH LINCOLNSHIRE COUNCIL
OFFICER DECISION NOTICE AND RECORD
(PUBLISHED)**

1. DECISION TAKEN To write off uncollectable debt for 2017/2018		
EXECUTIVE (Please tick either)	NON-EXECUTIVE	✓
IS THIS A 'KEY DECISION' ? (see definition overleaf)	Yes	No ✓
DOES THIS DECISION RELATE TO EXEMPT INFORMATION?	Yes	No ✓
EXEMPT PARAGRAPH REFERENCE (NOT TO BE PUBLISHED)		

2. OFFICER DECISION TAKER	NAME Becky McIntyre..... POSITION/POST Director Governance & Partnerships..... SIGNATURE <i>B McIntyre</i> DATE15 February 2018.....
3. REASONS FOR THE DECISION (Please ref to any report/minute/background documents attached)	To approve the recommendations of the attached Uncollectable Debt 17/18 report, noting debts already written off under delegated powers in Appendix 1 along with approval of debts requiring write off in Appendix 1. 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.
4. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED (BY DECISION TAKER(S))	Not applicable as a periodic review of outstanding debts is necessary to ensure effective management of outstanding debt.

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.

<p>5. DECISION REQUIRED TO BE TAKEN IN CONSULTATION WITH RELEVANT MEMBER</p>	<p>COUNCILLOR JOHN R. DAVISON</p> <p>POSITION</p> <p>SIGNATURE </p> <p>DATE 15/02/2018</p>
<p>6. ANY CONFLICT OF INTEREST DECLARED BY ANY EXECUTIVE (CABINET) MEMBER (S) CONSULTED, WHICH RELATES TO THE DECISION, OR (NON-EXECUTIVE) – ANY MEMBER OF THE COMMITTEE THAT DELEGATED THE DECISION TAKEN</p>	
<p>7. WITH REFERENCE TO 6. ABOVE - HAS ANY DISPENSATION BEEN GRANTED TO THE EXECUTIVE (CABINET) MEMBER? (ONLY APPLIES TO EXECUTIVE)</p>	

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**

UNCOLLECTABLE DEBT 2017/2018

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 under delegated powers and seeks approval for further write-off.
- 1.4 The key points in this report are as follows:
 - 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.
 - 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: Business Transformation and Finance.

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 £10,913 of council tax debt and £7,911 of NNDR previously written off has been recovered due to tracing debtors or account adjustments.
- 2.5 The write-off of debts also needs to be seen in the context of collection rates. North Lincolnshire Council has a good record for collection of debts.

Comparison of Collection Rates 2016/2017	National %	Unitary %	NLC %
Council Tax in-year collection	97.2	97.0	96.9
NNDR	98.2	98.2	99.0

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.
- 4.2 For future periods more frequent write-offs will be considered.

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

5.1 The total amounts for write off by category are;

	<u>2017/2018</u>
Council Tax	£357,240.58
National Non Domestic Rate	£858,161.77
Housing Benefit Overpayment	£105,969.64
Sundry Debtors*	£149,861.32
Car Parking Penalty Charge Notices	<u>£76,123.95</u>
	£1,547,357.26
*Sundry Debtors already approved in year	<u>£94,079.81</u>
	<u>£1,641,437.07</u>

The council's financial plans already include provisions for uncollectable debt. The above write-offs are within allowances already made so there is no material impact on the council's resources for 2017/2018.

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, 54.05% 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 written off in the report.

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: Business Transformation and Finance. The Director has consulted with the cabinet member who is in agreement with the proposed write-offs.

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: 05 February 2018

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

ANALYSIS OF DEBT WRITE-OFFS

	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
	£	£	£	£	£
Council Tax					
In Home/Hospital	0.00	0.00	0.00	0.00	0.00
Small balances, uneconomic to pursue	720.50	0.00	720.50	0.00	720.50
Living Abroad	14,047.60	0.00	14,047.60	0.00	14,047.60
Deceased, no estate	38,311.92	0.00	38,311.92	0.00	38,311.92
Gone away, no trace	205,631.94	0.00	205,631.94	0.00	205,631.94
Bankrupt/Liquidation	85,029.90	0.00	85,029.90	0.00	85,029.90
Irrecoverable	9,899.70	0.00	9,899.70	0.00	9,899.70
In Prison	3,599.02	0.00	3,599.02	0.00	3,599.02
Total	357,240.58	0.00	357,240.58	0.00	357,240.58
NNDR					
In prison	4,679.24	0.00	4,679.24	0.00	4,679.24
Small balances, uneconomic to pursue	-1.32	0.00	-1.32	0.00	-1.32
Gone away, no trace	12,534.15	32,566.94	45,101.09	0.00	45,101.09
Insolvency	19,062.85	135,881.21	154,944.06	0.00	154,944.06
Company Dissolved	32,155.72	620,171.82	652,327.54	0.00	652,327.54
Ceased Trading	-3,430.42	0.00	-3,430.42	0.00	-3,430.42
Irrecoverable	144.89	0.00	144.89	0.00	144.89
Living Abroad	4,396.69	0.00	4,396.69	0.00	4,396.69
Total	69,541.80	788,619.97	858,161.77	0.00	858,161.77
Housing Benefit Overpayments					
Small balances, uneconomic to pursue	228.74	0.00	228.74	0.00	228.74
Deceased, no estate	14,151.34	9,657.70	23,809.04	0.00	23,809.04
Residential Care	0.00	0.00	0.00	0.00	0.00
Recovery procedure exhausted	51,561.92	9,325.96	60,887.88	0.00	60,887.88
Insolvency	18,018.24	0.00	18,018.24	0.00	18,018.24
In prison	0.00	0.00	0.00	0.00	0.00
Abroad	2,865.24	0.00	2,865.24	0.00	2,865.24
Vulnerable	0.00	0.00	0.00	0.00	0.00
Small untraceable refunds	160.50	0.00	160.50	0.00	160.50
Total	86,985.98	18,983.66	105,969.64	0.00	105,969.64
Sundry Debts					
Operations	35,004.70	0.00	35,004.70	0.00	35,004.70
Business Development	322.00	0.00	322.00	12,049.31	12,371.31
Learning Skills & Culture	1,532.85	0.00	1,532.85	1,162.60	2,695.45
Governance & Partnership	559.73	0.00	559.73	-9.52	550.21
Adults & Community Wellbeing	33,438.85	79,589.95	113,028.80	80,575.03	193,603.83
Children & Community Resilience	0.00	0.00	0.00	496.45	496.45
Small Sundry Debtor overpayment write offs	-6.50	0.00	-6.50	-13.40	-19.90
Sundry Debtor refund cheques not cashed	-580.26	0.00	-580.26	-180.66	-760.92
Total	70,271.37	79,589.95	149,861.32	94,079.81	243,941.13
Car Parking Penalty Charge Notices					
	76,123.95	0.00	76,123.95	0.00	76,123.95
Total	660,163.68	887,193.58	1,547,357.26	94,079.81	1,641,437.07

