

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	14 March 2018
<b>Subject:</b>	Revenues and Benefits Write-Off Policy
<b>Report of:</b>	Graeme Simpson, Head of Corporate Services
<b>Corporate Lead:</b>	Mike Dawson, Chief Executive
<b>Lead Member:</b>	Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	One

## **Executive Summary:**

The Revenues and Benefits Write-Off Policy is required to be reviewed by Executive Committee to ensure it continues to be robust and fit for purpose. It is also necessary to do so at this time due to changes in the staffing structure in the Revenues and Benefits team.

## **Recommendation:**

**That the Revenues and Benefits Write-Off Policy, attached at Appendix 1, is ADOPTED with effect from 1 April 2018.**

## **Reasons for Recommendation:**

The Revenues and Benefits Write-Off Policy needs to be reviewed to ensure that it is robust and fit for purpose and reflects the current staffing structure within the Revenues and Benefits team in terms of delegated authority to write off debt.

## **Resource Implications:**

A clear process for the writing off of irrecoverable debt represents effective financial management practice. To continue to pursue debt when it is not cost effective to do so is an inefficient use of resources.

Provision for bad debts is made in the Council's accounts.

## **Legal Implications:**

The relevant billing, collection and recovery processes are governed by statutory provisions relevant to the type of debt. Debts will only be written off in accordance with the Council's Financial Procedure Rules, Revenues and Benefits Write-Off Policy and any legislation relevant to the type of debt. All available enforcement remedies will be pursued before a recommendation to write off is made.

**Risk Management Implications:**

The Revenues and Benefits Write-Off Policy will provide assurance regarding controls and the operational process in recovering debt. It should be recognised, however, that due to the volume, value and nature of annual debt due to the Council there will also be irrecoverable amounts which will be recommended for write off once all enforcement remedies have been exhausted. A provision for bad debts is made in the Council's accounts.

**Performance Management Follow-up:**

The policy will be applied correctly to ensure it is effective. For each debt type, management information will be compiled on a quarterly basis. The information will include a profile of debt by age, the value of debt written off to date and the effect on the provision for bad debt.

**Environmental Implications:**

None.

**1.0 INTRODUCTION/BACKGROUND**

1.1 The write off of bad debts is a necessary function of any organisation which deals with the collection of debt. Effective write off procedures contribute to the efficient management of debt and the current Revenues and Benefits Write-Off Policy, which has been in place since 2016, needs to be refreshed and updated to ensure that effective policies and procedures are in place to enable the effective management of debt in an ever changing local taxation environment. It has also been updated to reflect changes in the staffing structure in the Revenues and Benefits team.

**2.0 BACKGROUND**

2.1 Whilst it is recognised that the majority of income owed to the Council in Council Tax, Business Rates and Housing Benefit overpayments will be successfully billed for and collected there are a variety of reasons why debt will become irrecoverable and needs to be written off. Debts will only be recommended for write off once all options to recover and enforce them, as allowed for by the relevant legislation, have been exhausted

2.2 The writing off of debt which is irrecoverable is recognised as good practice by the Ministry of Housing, Community and Local Government (MHCLG), the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Department of Work and Pensions. Debts are only considered for write off after taking all possible steps to collect and it is important to ensure that processes and procedures are frequently reviewed to ensure maximum effectiveness in debt collection and recovery.

**3.0 OTHER OPTIONS CONSIDERED**

3.1 None.

**4.0 CONSULTATION**

4.1 None.

**5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

5.1 Revenues and Benefits Write-Off Policy and Financial Procedure Rules.

**6.0 RELEVANT GOVERNMENT POLICIES**

6.1 None.

**7.0 RESOURCE IMPLICATIONS (Human/Property)**

7.1 To continue to pursue debt when it is not cost effective to do so is an inefficient use of resources.

**8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

8.1 None.

**9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

9.1 The Revenues and Benefits Write-Off Policy has had an Equality Impact Assessment and no issues have been identified.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

10.1 None.

---

**Background Papers:** None.

**Contact Officer:** Geni Hotchkiss, Revenues and Benefits Manager Tel: 01684 272119  
Email: [geni.hotchkiss@tewkesbury.gov.uk](mailto:geni.hotchkiss@tewkesbury.gov.uk)

**Appendices:** 1. Revenues and Benefits Write-Off Policy.