



Title: Collection and Write-Off of Miscellaneous Debtors

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1. Introduction

- 1.1. As part of the income collection process, the Council's Finance Section is responsible for the production and collection of general invoices for sundry/miscellaneous debts across all services of the Council.
- 1.2. This report updates members on the current collection position and requests permission to write-off larger items as required by the Council's Financial Regulations.

2. Recommendation(s)

That Members note the contents of the report.

3. Miscellaneous Sundry Debtors

- 3.1. The Council's Finance Section is responsible for the raising and collection of around 1,400 invoices per annum, with an annual value of approximately £1.5 million relating to income for all services of the Council. The Council uses three principal methods for collecting these debts.

- (i) Direct contact with the debtor by letter or telephone;
- (ii) Referring the debt to a collection agent; and
- (iii) Legal action through the courts.

During the financial year 2016/17, the Council raised 1,398 invoices totalling £1,424,377.

In the second quarter of 2017/18 541 invoices were raised totalling £160,000.

- 3.2. The current position relating to collection of outstanding invoices is summarised.

	Days Overdue					Total
	0-90	90-182	182-365	365-730	Over 730	
30 June 2017	75,991	13,663	14,129	27,132	117,219	248,134
30 September 2017	81,788	8,953	26,341	28,326	118,400	263,808

- 3.3. During the second quarter of 2017/18 miscellaneous debt has risen slightly by £16,000. Of the total debt of £264,000 approximately £88,000 (90 accounts) is actively managed through instalments.
- 3.4. In the second quarter the Council has:
 - There were no cases referred to the collection agent;
 - No write-offs have been made in line with the Financial Regulations;

- One case, formally written off, has now been written back on and will be collected;
- 2 accounts have completed their arrangements to pay; and
- A Key Performance Indicator of the Council is the proportion of debt over 90 days old as a percentage of the total estimated annual debit. At 30 September this percentage is 13% (the target for 2016/17 is to be under 20%)

4. Overpayment of Housing Benefit

- 4.1. Recouping the overpayment of housing benefit has become an increasing problem for Council's across the Country over the last few years. Oadby and Wigston has since 2015, brought this under control. The majority of cases are collected from ongoing benefit, however, where the claimant is no longer receiving or entitled to housing benefit, then that debt is passed over to a debt collection team.
- 4.2. Historically, the Council has raised almost 11,000 overpayment invoices totalling over £3.5million of debt successfully collecting £2.9million.

The total still outstanding is listed below by age:

	Days Overdue				Total
	0-90	90-182	182-365	365-730	
01 April 2017	67,777	51,914	62,267	479,618	661,575
30 September 2017	71,656	14,804	80,047	479,199	645,706

Members will be receiving updates on levels of housing benefit overpayment debt as part of this regular report going forward.

5. Requested Debt Write-Off

There are no write-offs in the second quarter which require Committee approval.

Background Documents:

None.

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Implications Collection and Write-Off of Miscellaneous Debtors	
Finance	Good debt management is essential if the Council is to maximise its revenue streams.
Chris Raymakers (Head of Finance Revenues and Benefits)	
Legal	There are no significant legal implications.
Dave Gill (Deputy Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1)
Chris Raymakers (Head of Finance, Revenues and Benefits)	<input checked="" type="checkbox"/> Reputation Damage (CR4) <input checked="" type="checkbox"/> Economy/Regeneration (CR9) <input checked="" type="checkbox"/> Increased Fraud (CR10)
Corporate Priorities (CP)	<input checked="" type="checkbox"/> Effective Service Provision (CP2)
Chris Raymakers (Head of Finance, Revenues and Benefits)	<input checked="" type="checkbox"/> Balanced Economic Development (CP3) <input checked="" type="checkbox"/> Wellbeing for All (CP5)
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision)
Chris Raymakers (Head of Finance, Revenues and Benefits)	<input checked="" type="checkbox"/> Accountability (V1) <input checked="" type="checkbox"/> Respect (V2) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Equalities & Equality Assessment(s) (EA)	There are no equalities implications.
Chris Raymakers (Head of Finance, Revenues and Benefits)	<input checked="" type="checkbox"/> Not Applicable