

# Southend-on-Sea Borough Council

Report of Corporate Director of Support Services  
to

## Audit Committee

on

13<sup>th</sup> January 2011

Report prepared by:  
Joe Chesterton – Head of Finance and Resources

Agenda  
Item No.

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### Further Information on Debts Written Off in 2009/10

#### *A Part 1 Public Agenda Item*

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#### **1. Purpose of Report**

- 1.1. To provide the Audit Committee with more information on the debts over £5,000 which were written off in 2009/10.

#### **2. Recommendation**

- 2.1. The content of this report is noted.

#### **3. Background**

- 3.1 A report was submitted to Audit Committee on 23<sup>rd</sup> June 2010 on the process and procedure involved when collecting debt and writing off uncollectable debt. The report showed 11 debts over £5,000 written off in the financial year 2009/10.
- 3.2 At that meeting further information was requested on these 11 debts. Appendix 1 shows more detail of the case histories of these debts, including the dates of reminders and the use of debt collection agents.
- 3.3 It should be noted that these case histories relate to debts raised as far back as 2002. 10 of the 11 write offs relate to Housing Benefit and there have been changes in the way Housing Benefit debts are chased.
- 3.4 The approach to chasing Housing Benefit debts is now more robust, the following is an overview of the stages that are carried out:
- If Housing Benefit or Department of Work and Pensions (DWP) benefits are being paid, the Housing Benefit debt is deducted from these payments;

- Payment arrangements are put in place where the person can be contacted by telephone;
- If they cannot be contacted by telephone, but they are living in the area, then a home visit is arranged;
- If they are not living in the area but are claiming Housing Benefit in another area, deductions are requested from the Housing Benefit paid by the Local Authority of that area;
- If they are not claiming Housing Benefit in another area, but are working or the debt is suitable to pass to the Court, then the debt will be passed to the Court;
- If the debt is not suitable to pass to the Court, then it will be passed to debt collection agents;
- If, after all these processes have been followed, the debt is returned as unable to collect, on-going Housing Benefit and DWP payments will be checked again and, if none are being made, the debt will be passed for write off.

3.5 There has been a lot of work undertaken on debt collection processes as part of the Delivery Excellence programme and this has resulted in changes to the Debt Collection and Recovery Strategy, which is set out in the next agenda item.

#### **4. Corporate Implications**

##### 4.1 Contribution to Council's Vision & Corporate Priorities

The prompt and efficient collection of income is fundamental to maintaining a sustainable financial position for the Council.

##### 4.2 Financial Implications

The prompt and efficient collection of income is fundamental to maintaining a sustainable financial position for the Council.

##### 4.3 Legal Implications

The issuing, collection and write off of debt is operated within a statutory framework as applicable to the circumstances.

##### 4.4 People Implications

The collection of debt affects the residents and businesses of Southend.

#### 4.5 Property Implications

None.

#### 4.6 Consultation

None

#### 4.7 Equalities and Diversity Implications

The Debtor Recovery policy ensures that an individual's circumstances are considered when raising and pursuing debt.

#### 4.8 Risk Assessment

None

#### 4.9 Value for Money

The prompt and efficient collection of income is fundamental to maintaining a sustainable financial position for the Council.

#### 4.10 Community Safety Implications

None

#### 4.11 Environmental Impact

None

### **4 Background Papers**

5.1 None

### **6 Appendices**

6.1 Appendix 1 – Financial Year 2009/10 – Write-offs over £5,000