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**INFORMATION ITEMS**

**FINANCE AND GOVERNANCE COMMITTEE – 26 NOVEMBER 2012**

[M171]

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1.0 **ISSUE/RECOMMENDATION**

1.1 That the Committee notes the content of the following information items:

**A. AMOUNTS WRITTEN OFF AS IRRECOVERABLE**

**(Author: Linda Grinnell – Head of Finance)**

- A.1 Financial Procedure Rule 8.4 requires the Committee to be informed of amounts written off as irrecoverable.
- A.2 For Council Tax, an allowance is made in setting the Council Tax Base to cover the cost of irrecoverable debts. National Non-Domestic Rate (NNDR) irrecoverables are offset against the Council's contribution to the national pool. Sundry Debtors write-offs are ultimately a cost set against the budget of the service to which the debt relates, although a provision from bad or doubtful debts is maintained which cushions these costs.
- A.3 Overpayments of Housing Benefit are created when information from claimants or from the Department of Work and Pensions is subsequently found to be incorrect (by error or by fraud) or where the Council makes an error in assessing claims. Under the regulations, the Council is obliged to attempt to recover these overpayments but for reasons such as unable to trace, bankruptcy, aged debt, deceased, uneconomic to pursue, it is not always possible to secure full recovery. A provision is made in the accounts each year against this possibility and the write-offs identified below will be charged against this reserve. Members will be aware from discussions at previous Committee meetings, that Anglia Revenues Partnership has been working through a backlog of Council Tax and Housing Benefits write-offs.
- A.4 The amounts written-off are as tabulated below. The Finance and Governance Committee Chairman has been consulted about each individual write-off exceeding £1,000.

Write-offs relating to:	Amounts individually under £1,000		Amounts individually over £1,000	
	No.	Total Value	No.	Total Value
<b>Council Tax:</b>	15	£479.68	20	£41,511.60
<b>No trace</b>	2	£42.51		
<b>Local Authority error</b>	18	£427.49		
<b>Debt relief order granted</b>	5	£1695.43		
<b>Deceased</b>	1	£962.77		
<b>Uneconomical to recover</b>	2	£1110.75		
<b>Bankrupt</b>	6	£4337.72		
<b>Aged</b>	4	£617.16		
<b>Debt/exhausted all avenues of recovery</b>	7	£1872.58		
	2	£213.24		
	1	£761.48		
	1	£154.70		
	1	£287.98		
<b>Benefits:</b>	12	£1,992.43	2	£3,123.90
<b>No trace</b>	11	£3,413.82	1	£2,942.48
<b>Local Authority error</b>				
<b>Debt relief order granted</b>				
<b>Deceased</b>				
<b>Uneconomical to recover</b>				
<b>Bankrupt</b>				
<b>Aged</b>				
<b>Debt/exhausted all avenues of recovery</b>				
<b>NNDR:</b>	6	£1,742.85	1	£3,317.45
<b>Bankrupt/ Liquidation/ unable to trace</b>				
<b>Sundry Debtors:</b>				

**B. ACTIONS TAKEN BY THE CHIEF EXECUTIVE ON THE GROUNDS OF URGENCY**  
(Author: John Hill - Chief Executive)

B.1 in accordance with Paragraph 5.1 of the Terms of Reference for Finance and Governance Committee, the Chief Executive/Deputy Chief Executive, in consultation with the Chairman of the Committee, and having notified the Spokespersons of the action taken, has agreed the following actions on the grounds of urgency:



(i) Expenditure of S106 Funds – Clay Street, Soham

An opportunity arose to offer funding to improve 6 properties in Soham (2X2 bed houses and 4X1 bed flats) in return for 5-10 year leases. The properties would be managed by King Street Housing Society, one of the Council's Housing Partners.

A sum of £87,329 has been identified, being Section 106 monies received in 2001, which was earmarked for housing but not yet spent. The Chief Executive decided to approve expenditure of up to £35,000 on the six properties in return for the long leases. The urgency was due to the unexpected opportunity to finalise the agreement with King Street Housing Society and the owner of the six properties within a very short timescale. This would provide value for money in savings on Bed and Breakfast accommodation over the coming years.

<b><u>Background Documents</u></b>	<b><u>Location</u></b>	<b><u>Contact Officer</u></b>
Item A – Exempt information by virtue of Category 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended): Write-offs received in the period 17 September to 14 November 2012.	Room 214A The Grange, Ely	Linda Grinnell Head of Finance (01353) 616470 E-mail Linda.grinnell@eastcambs.gov.uk
Item B – Memoranda on action taken by the Chief Executive on the grounds of urgency dated 19 September 2012.	Room 102 The Grange, Ely	John Hill Chief Executive (01353) 616274 E-mail John.hill@eastcambs.gov.uk