



COUNCIL CABINET
7 October 2015

ITEM 12

Report of the Leader of the Council

Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:
- changes to the current 2015/16 capital programme.
 - write off of bad debts

RECOMMENDATION

- 2.1 To approve changes, additions and progression of these on the capital programme in section 4.
- 2.2 To approve the write off of bad debts in Housing and Council Tax Benefit in the Organisation and Governance directorate as detailed in section 5.

REASONS FOR RECOMMENDATIONS

- 3.1 To comply with the Council's Contract and Financial Procedure rules.



Derby City Council

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Report of the Chief Executive

SUPPORTING INFORMATION

4 Update on Capital Programme 2015/16

- 4.1 The latest programme approved at 9 September cabinet was £89,502,000.

Additions to the programme that have been agreed under the Scheme of delegation total £1,233,000, details to note are shown in appendix 2.

A reduction to the programme of £150,000 is required for the Darley Abbey Mills project due to the need to obtain valuations for the property in order to meet additional grant conditions. This is estimated to take 6 months and so it is requested that part of the funding for this project be allocated in the next financial year 2016/17.

With the required approval the revised capital programme is £90,585,000.

5 Housing/Council Tax Benefit Write offs

- 5.1 The Council has raised approximately £5m of debts in relation to Housing Benefit overpayment recovery, per year, in the period 2005/06 to 2012/13. The debts below requesting write off therefore represent a small proportion of overall debt. Recovery action has been pursued where appropriate and it is now deemed economically unviable to continue.
- 5.2 There are five debts within the Organisation & Governance Directorate with an individual value of over £10,000 and a total value of £73,519.23 which require Cabinet approval to be written off. Table 1 below outlines the debts.

5.3 Table 1 – Table of debts to be written off

	Date invoice raised	Housing Benefit	Council Tax	Total
1	03/09/2009	£10,584.17	-	£10,584.17
2	03/07/2013	£22,453.58	-	£22,453.58
3	31/10/2012	£15,255.00	-	£14,629.80
4	07/03/2013	£10,686.35	£3,416.86	£14,103.21
5	10/06/2013	£11,748.47	-	£11,748.47
				£73,519.23

- 5.4 The first three cases are fraud cases and recovery efforts through our rigorous bad debt recovery procedures have now been exhausted, including unsuccessful referral to debt collectors and the identification of no on-going benefits for which to make recovery. To help detect fraud we have a dedicated fraud team who use various methods to detect fraud to prevent further overpayments in Housing Benefit.
- 5.5 The fourth case is an irrecoverable debt due to LA error, where we do not feel it is reasonable for the claimant to have realised they have been overpaid. As such we cannot seek recovery from the customer under regulation 100(2) of the Housing Benefit Regulations. Actions have been taken to minimise the risk of reoccurrence including an increase in resources for quality checking.
- 5.6 The fifth case is one where we cannot trace the debtor and all bad debt recovery procedures have now been exhausted.
- 5.7 It is recommended that £73,519.23 of bad debts is written off against the existing benefits payments bad debt provision.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples Director of Finance
For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Summary of further changes to the capital programme 2015/16

IMPLICATIONS

Financial and Value for Money

- 1.1 As detailed in the main body of the report and appendices.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 None directly arising.

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 None directly arising.

Property and Asset Management

- 8.1 None directly arising.

Risk Management

- 9.1 None directly arising.

Corporate objectives and priorities for change

- 10.1 These recommendations where relevant are in line with approved capital strategy and Asset Management Plans which accord with the Council's corporate priorities.

Appendix 2

Changes to the Capital Programme made under delegation.

Programme	Scheme	£000's
CYP	Bemrose – Sports Hall Refurbishment	313
CYP	Osmaston Primary School	108
CYP	Other minor net changes	73
Housing General Fund	Minor net changes	50
HRA	Land at Elton Road	810
HRA	Mackworth Phase 2	480
HRA	New Build Programme allocated to Schemes as defined	(1,290)
HRA	Ashlea New Build	528
Property Improvement	Coronation Avenue	197
Property Improvement	Other minor net changes	9
Regeneration	Other minor net changes	(45)
	Total net changes	1,233