

Council Tax

Currently, bad debt provisions (BDP) of £4.96m exist [**£5.03m**- £0.07k; w/offers done 01/04/15-30/06/15] for Council Tax against a potential BDP of £4.174m for debts accrued to 31 March 2015.

| COUNCIL TAX | Arrears as at 1 st of April | Arrears as at Qtr 1 | BDP | BDP as at Qtr 1 |
|--------------------|---|------------------------|-----|------------------------|
| | £000 | £000 | % | £000 |
| Pre 2008-2019 | 395 | 291 | 100 | 291 |
| 2010-2011 | 422 | 357 | 100 | 357 |
| 2011-2012 | 556 | 466 | 100 | 466 |
| 2012-2013 | 744 | 637 | 100 | 637 |
| 2013-2014 | 1,473 | 1,198 | 75 | 898 |
| 2014-2015 | 3,293 | 2,346 | 65 | 1,525 |
| Total | 6,883 | 5,295 | | 4,174 |

National Non Domestic Rates (NNDR)

Currently, bad debt provisions of £1.903m [**£2.197m**- £0.294k; w/offers done 01/04/15 to 30/06/15] exist for business rates (NNDR) against a potential BDP of £1.881m. Under Business Rates retention, the effect on the local authority is 30% of any surplus or deficit.

| NATIONAL NON DOMESTIC RATES (NNDR) | Arrears as at 1 st of April | Arrears as at Qtr 1 | BDP | BDPas at Qtr 1 |
|---|---|------------------------|-----|-----------------------|
| | £000 | £000 | % | £000 |
| Pre 2013-2014 | 358 | 293 | 100 | 293 |
| 2013-2014 | 714 | 603 | 100 | 603 |
| 2014-2015 | 2,259 | 1,970 | 50 | 985 |
| Total | 3,331 | 2,866 | | 1,881 |

Council Tax and Business Rates Court Cost

Currently, bad debt provisions (BDP) of £950k (**CT £850k+ NDR £100k**) exists for Court Costs against a potential BDP of £896k. From previous years trends, this amount of provision appears to be adequate and in line with our overall provisions policy.

| Court Cost | Arrears as at 1 st of April | Arrears as at Qtr 3 | BDP | BDP as at Qtr 3 |
|-------------------|---|------------------------|-----|------------------------|
| | £000 | £000 | % | £000 |
| Pre 2012-2013 | 136 | 210 | 100 | 210 |
| 2012-2013 | 79 | 96 | 100 | 96 |
| 2013-2014 | 100 | 203 | 75 | 153 |
| 2014-2015 | 220 | 457 | 60 | 274 |
| 2015-2016 | 580 | 325 | 50 | 163 |
| Total | 1,170 | 1,291 | | 896 |

Housing Benefits

Currently, bad debt provisions of £5.428m [**£5.509m** - £0.081m w/offs 1/4/15 to 31/12/15] exist for Housing Benefit overpayment debt against a potential BDP of £5.226m (£3.183m + £2.043m = £5.226m).

| Housing Benefit DEBTORS | Outstand as at 1 st of April | Outstand as at Qtr 1 | BDP | BDP as at Qtr 1 |
|--------------------------------|---|----------------------|-----|------------------------|
| | £000 | £000 | % | £000 |
| Pre 2013-2014 | 462 | 1,080 | 100 | 1,080 |
| 2013-2014 | 531 | 717 | 100 | 717 |
| 2014-2015 | 2,597 | 2,151 | 50 | 1,076 |
| 2015-2016 | 0 | 1,033 | 30 | 310 |
| Totals | 3,590 | 4,981 | | 3,183 |

| Housing Benefit LIVE CASES | Outstand as at 1 st of April | Outstand as at Qtr 1 | BDP | BDP as at Qtr 1 |
|-----------------------------------|---|----------------------|-----|------------------------|
| | £000 | £000 | % | £000 |
| Pre 2013-2014 | 1,112 | 376 | 100 | 375 |
| 2013-2014 | 807 | 460 | 75 | 345 |
| 2014-2015 | 2,690 | 1,974 | 50 | 987 |
| 2015-2016 | 0 | 1,120 | 30 | 336 |
| Totals | 4,609 | 3,930 | | 2,043 |

Over the last year there have also been new initiatives from the DWP, specifically the Real Time Information Bulk Data Matching exercise (RTI), which means the DWP is currently providing retrospective information to the authority about claimant changes not previously known to Harrow. This has resulted in a higher than normal increase in the raising of Housing Benefit overpayment debts which unfortunately is increasing the overpayments figures and adding pressure to the bad debt provision. Whilst we are addressing this for the future (the Income expectation from this source of income is being reduced in the MTFS for 2016/17), currently there is risk that the general fund may have to contribute to this area to ensure adequate bad debt provision exists in 2015/16 if sufficient overpayments are not collected to fund the full requirement as would normally be the case. The likely pressure are currently estimated at £250k (should the level of RTI information continue to come through throughout the year) but could be higher if the DWP raises the scope of RTI across other caseload areas previously not included.