

17. Overdue General and Rates Debtors (Greater than \$20,000 and 90 days)

Reference / Te Tohutoro:	21/404522	
Report of / Te Pou Matua:	Brett Hales, Transactions Manager, brett.hales@ccc.govt.nz	
General Manager / Pouwhakarae:	Diane Brandish, Acting General Manager Resources, diane.brandish@ccc.govt.nz	

Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	 s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons. s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Plain English Reason:	To protect the privacy and the commercial position of the debtors; Enable the Council to carry out negotiations when needed.
Report can be released:	A redacted copy of the report can be released after the Committee has received the report but the names of the individuals and organisations will remain confidential.

1. Brief Summary

1.1 The purpose of this report is to update the Finance and Performance Committee on overdue general and rates debtors with balances in excess of \$20,000, as at 31 March 2021.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- Receives the Overdue General and Rates Debtors (Greater than \$20,000 and 90 days) report.
- 2. Notes the action being taken to recover the overdue amounts.
- 3. Resolves that a redacted copy of the report can be released after the Committee has received the report but the names of the individuals and organisations will remain confidential.

3. Overdue General (non-rates) Debtors

3.1 There were four general debtors with balances greater than \$20,000 and older than 90 days as at 31 March 2021, totalling \$167,366 (See **Attachment A**).

1.



3.2 This includes two commercial lease debts totalling \$115,115. The Leasing Team is working through the hardship applications relating to these. Other debts are under arrangement plans.

4. Overdue Rates Debtors

- 4.1 There are 39 individual ratepayers with arrears greater than \$20,000, totalling \$1.77 million. See **Attachment B**.
- 4.2 70% (\$1.24 million) of these arrears relate to previous rating years and are subject to legal proceedings, payment arrangements, postponements or active management.
- 4.3 30% (\$0.53 million) relate to the current year and are reviewed constantly to ensure that action is taken to clear debts as soon as possible.
- 4.4 In the quarter ended 31 March, \$0.45 million was collected from debtors identified in the previous monthly report to management.

5. Referred to Debt Collection Agency or Council Legal Team

	-	-		
Referred to Debt	Number of	Amount	Total debt still	Amount
Collection Agency	files	submitted	outstanding	collected in
	submitted	in current	for collection	current
	in current	quarter	and number	quarter
	quarter		of files	
Trade Debtors	85	\$47,986	\$30,156	\$27,999
			19 files	5 files are
		\bigcirc		under
				arrangement
				plans totalling
		·		\$4,356
Rates Debtors	57	\$128,485	\$289,131	\$311,678
			109 files	69 files are
				under
				arrangement
				plans totalling
				\$15,113
Water Rates	3	\$2,624	\$1,217	\$159
			1 file	
Referred to Legal Team				
General Debtors	0	\$0		
Rate Debtors	21	\$1,032,010		



Attachments / Ngā Tāpirihanga

No.	Title			
А	General Debtors Report			
В	Rates Debtors Report			

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link	
Not applicable	Not applicable	

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002). (a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author Brett Hales - Manager Transactions				
Approved By	Bruce Moher - Head of Financial Management			
Diane Brandish - Acting General Manager Resources				

Report Attachment

Trade Debtors Report Overdue Debtors (+90 days and >\$20,000)

As at 31 March 2021

Name	Amount So	ource Received	Comments
	\$55,858 General S	SAP	Debt is for a Commercial lease. Hardship application finance reports are almost finished, once finalised the report will b authorisation by the delegated authorities.
	\$59,257 General S	SAP	Debt is for a Commercial lease. Hardship application finance reports are almost finished, once finalised the report will b authorisation by the delegated authorities.
	\$30,314 General S	SAP	Damage to traffic assets. Long term payment plan in place
	\$21,937 General S	SAP	Damage to traffic assets. Long term payment plan in place
TOTAL	\$167,366		

Significant changes since last report, December 2020

Name A	mount	Source	Received	Comment
	\$50,768	3 General SAP	\$50,768	This is a Commercial Lease for Sector Control . Back is submitted a hardship application. In November 2020 the ha approved and the lease was surrendered from 1 December of November 2020 was paid in January 2021.
	\$30,832	General SAP	\$13,215	This is for a Commercial lease. The Hardship application was is due in April. Customer to pay \$27k in payment arrangeme payments) starting 20 April 2021. They will be paying arrear
			Page 1	

cials received. Hardship be sent off for
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k in July 2020 the customer hardship application was er 2020. Rent up to the end

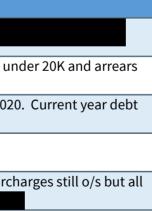
was approved. \$19,474.63 nents (12 monthly ars + current debt.

	s Report s (>\$20,000)									
arch 2021										
Rat		Years	Current Year	Total Arrears	Rate Payer	Comments				
1		,519.93	36,445.61	502,965.54		Statement of claim delivered. Court advises that this matter will be placed in the 2021 list, but because of Covid there are long Court delays.				
2	68	,493.72	6,742.39	75,236.11		Legal drafting report to Council to seek authority to carry out Rating Sale.				
1	64	,346.99	6,179.25	70,526.24		Letter of Demand not responded to. Assignation of debt authorised by ECAN. Statement of claim close to finalising.				
3		-	60,271.35	60,271.35		Haven't paid instalments this rating year. No formal dunning action as there is no arrears from last year.				
1	44	,973.72	6,957.15	51,930.87		Ratepayers have not been located. Legal preparing statement of claim. ECAN have assigned their share of the ownership of the debt to CCC for legal recovery.				
3	47	,108.97	2,365.38	49,474.35		Postponed Rates account. All ok.				
1	40	,367.06	6,398.98	46,766.04						
3		-	46,063.53	46,063.53		New property this rating year but they haven't paid any rates. No formal dunning action as there is no debt from last year.				
1		-	42,427.02	42,427.02		Payment of \$28,466.37 received through the Formal demand process. Current year remains outstanding but recovery action will not take place until July 2021. Chance the property will be sold.				
1	11	,875.03	28,752.83	40,627.86		Payment arrangement default. Formal demand Notification issued 12.02.2021.				
1	36	,317.56	4,169.80	40,487.36		Letter of Demand issued by Legal on 21.12.2020. Request for Assignation of debt gone to ECAN 26.03.21. Statement of claim to be prepared.				
1		-	38,538.18	38,538.18		Haven't paid any rates this rating year. No arrears from last year. The owner has been contacted to advise that if tenant doesn't pay the owner is liable.				
1	27	,943.11	9,649.57	37,592.68		In liquidation. The Directors of In Liquidation (In Liquidation) filed Appeals to the Court of Appeal decisions on the last day. The matter is now going to be referred to the Supreme Court for a decision on whether they will allow the most recent Appeals that the Directors have file. This could take at least two months to get a decision from the Supreme Court.				
1	22	,305.16	12,863.58	35,168.74		Arrangement in place for \$7,630.00 x 9 and \$544.26 x 1 beginning 05.01.2021. \$22,890 paid.				
3		-	34,046.76	34,046.76		New property this rating year but they haven't paid any rates. Formal dunning action won't start until July 2021 as there is no arrears from last year.				
1	29	,240.34	4,017.42	33,257.76		Letter of Demand not responded to so statement of claim process will be commenced to start legal proceedings - Assignation of debt authorised by ECAN.				
3		-	32,546.64	32,546.64		Payments of \$13,093 received throughout year. Now under payment arrangement beginning 5.04.2021. \$4,650 received 06.04.21				
3	14	,149.07	16,511.46	30,660.53		Paid \$27,229 of rates over the year.				
2	20	,870.53	8,111.77	28,982.30		Formal Demand Notification issued 07.12.2020. 2nd Formal demand issued to Bank 08.04.21.				
3	10	,964.75	16,736.23	27,700.98		14 Day letter sent 17th July 2020. \$10,964.75 received 07.08.20				
1	23	,924.42	2,846.13	26,770.55		Letter of Demand issued by Legal on 21.12.2020. Request for Assignation of debt gone to ECAN 26.03.21. Statement of claim to be prepared.				
1	16	,118.84	9,635.13	25,753.97		Payment arrangement of \$5,615.00 monthly now in place. \$16,845 paid.				
3	8	,083.04	17,625.98	25,709.02		14 Day letter sent 17th July 2020. \$7,348.21 cleared 10.07.20. Note property will end at 30 June 2021.				
1	5	,933.19	19,523.63	25,456.82		Payment arrangement of \$4,895.00 monthly now in place.				
1	50	,851.11 -	25,447.40	25,403.71		On Arrangement and payng \$22,505 each month and are sticking to it				
1	54	,854.99 -	30,057.16	24,797.83		On Arrangement and payng \$21,100. each month and are sticking to it				

Contract	Rating	Previous Years	Current Year		Data Davar	Commente
Account	Area	Previous years	Current Year	Total Arrears	Rate Payer	Comments
	1	8,532.79	16,166.90	24,699.69		14 Day letter sent 6th July 2020. \$8,532.79 paid 27.07.20.
	2	21,954.84	2,565.68	24,520.52		Meeting being arranged by Rates Officer to advise that if payment is not made, legal action will take place.
	2	9,529.93	14,877.46	24,407.39		Letter of Demand issued by Legal on 19.11.2020. Request for Assignation of debt to go to ECAN next week. Payment of\$25K received on 05.02.2021
	2	20,276.23	3,713.89	23,990.12		CSL report that and the second of the second secon
	2	18,650.89	5,214.32	23,865.21		Letter of Demand issued by Legal on 19.11.2020. Request for Assignation of debt gone to ECAN 26.03.21
	1	-	22,740.91	22,740.91	k	² 2nd Formal Demand issued 18.01.2021. Paying \$500.00 weekly but no formal arrangement in place. A further \$10,000 paid on 28.01.21 has cleared the arrears to 30.06.2020 and reduced the current year balance.
	2	20,408.43	2,098.31	22,506.74		Long running problem case. Debt Collection has been unsuccessful. Letter of Demand issued by Legal on 21.12.2020. Request for Assignation of debt gone to ECAN.
	1	19,780.11	2,647.89	22,428.00		Passed to Debt collection 07.01.2021
	1	2,445.46	19,446.09	21,891.55		Arrangement still in place for \$4,735.00 x 12. Was removed from report but overdue instalment 3 amount has taken the balance over \$20K again.
	1	18,177.44	3,537.75	21,715.19		Letter of demand issue by Legal Team. Request for Assignation of debt gone to ECAN 26.03.21.
	1	19,710.20	791.58	20,501.78		Report being passed to Judge will provide directions and hold a meeting with the owners to deal with the arrears position.
	2	4,982.22	15,495.28	20,477.50		14 Day letter sent 21 August 2020. \$9,135.53 paid 15.09.20.
	2	14,625.60	5,596.55	20,222.15		Payment Arrangement \$570.00 weekly now in place and adhered to.
TOTAL		1,244,316	528,814	1,773,129		

Significant changes in the Quarter

Contract Account	Rating Area	Previous Years	Current Year	Total Arrears	Rate Payer	Comments
	1	-	-	-		Payment of \$38,273.74 received upon settlement, new owners 23.01.2021. Account now fully up to date.
	3	-	18,557.89	18,557.89		Payment arrangement of \$5,920.00 monthly now in place. Balance now un to 30.06.2020 have now been cleared.
	3	-	9,906.13	9,906.13		Payment of \$18,939.85 received on 21.01.2021 to clear arrears at 30.06.2020 is less than 20K.
	3	1,538.56	14,969.79	16,508.35		Payment arrangement of \$5,300.00 monthly now in place.
	1	19,239.39	-	19,239.39		Payment of \$7,395.69 made in line with CE agreement. Penalties and surch action held
	1	-	19,938.40	19,938.40		Payment of \$12,426.11 made on 14.12.20 to clear previous year arrears. Pay of \$6335.00 monthly now in place - balance now below \$20K.
	2	-	-	Ċ		Payment of \$23,107.55 made through settlement. New owners - 1.01.2021 date.
	1	-	-	- 10,980.43		Payment of \$59,420.16 made on Formal Demand. Arrears to 30.06.2020 no payment of \$121,778.73 has now left the account overpaid by \$10K for the
	3	-	_	-		Payment of \$29,000.63 made to bring account up to date.
	1	-	_	- 11,196.94		- Following remission approval the account is overpaid typear, w c w e held as a credit for future rates.



Payment arrangement

21 - account fully up to

now cleared. Further he full year.

aid for the full rating