

REPORT TO EXECUTIVE

A13

CARLISLE
CITY COUNCIL



Date of Meeting: 11 March 2002

Public

Key Decision: No

Recorded in Forward Plan: No

Inside/Outside Policy Framework

Title: BAD DEBT WRITE-OFFS FOR COUNCIL TAX, NATIONAL
NON-DOMESTIC RATES, DEBTORS, COUNCIL HOUSE RENTS
AND EXCESS CHARGE NOTICES

Report of: The City Treasurer

Report reference: Financial Memo 2001/02 No 147

Summary & Recommendations:

The Committee is requested to:-

Write-off the sum of £85,822.23 in respect of debts over £1,000.

Note the City Treasurer's action in writing off debts totalling £200,641.83 in respect of bad debts under £1,000.

Note that the costs will fall against the 'Write-ons' will be credited as follows:

General Fund	£104,128.63	NNDR	£ 240.44
Housing Revenue Account	£153,225.05	General Fund	£ 297.73
NNDR National Pool	£ 18,398.14	Council Tax	£ 5,640.51
Council Tax Pool	£ 10,712.24	Housing Revenue Account	£ 1,158.14
Total	£ 286,464.06		£ 7,336.82

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

To: The Executive
11 March 2002

Financial Memo
2001/02 No 147

BAD DEBT WRITE-OFF FOR COUNCIL TAX,
NATIONAL NON-DOMESTIC RATES, DEBTORS,
COUNCIL HOUSE RENTS AND EXCESS CHARGE NOTICES

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 In accordance with the City Treasurer's delegated authority (5.2.8 Scheme of Delegation) for the write-off of outstanding debts under £1000 totalling £200,641.83, such bad debts are summarised for the Executive's information in Table 1 of this report.

- 1.2 Also itemised in appendices:

		£
Appendix 1 – NNDR	-	16,644.58
Appendix 2 – Council Tax	-	1,437.18
Appendix 3 – Private Tenants Benefit		
Overpayment	-	8,572.14
Appendix 4 – Council House Rents	-	14,569.70
Appendix 5 – Council House Benefit		
Overpayments	-	44,598.63

Are schedules of other debts exceeding £1000 and the committee is asked to consider the write-off of these debts which total £85,822.23.

- 1.3 The 'write-ons' itemised in Table One totalling £7,336.82 are in respect of balances originally written off that have since been paid and credit write-offs.
- 1.4 The write-offs are fully provisioned as explained in paragraph 3.5 below.

2. TABLE ONE

<u>Debt</u>	<u>Type of</u> <u>Debt</u>	<u>Under</u> <u>£1000</u> <u>No of</u> <u>Accounts</u>	<u>Under £1000</u> <u>Amount</u>	<u>£1000 &</u> <u>Over</u> <u>No of</u> <u>Accounts</u>	<u>£1000 &</u> <u>Over</u> <u>Amount</u>	<u>Write-Ons</u> <u>Amount</u>
			£		£	£
NNDR		2	1,753.56	5	16,644.58	240.44
Council Tax		49	9,275.06	1	1,437.18	5,640.51
Debtors						
- Benefit Overpayment		25	4,990.38	5	8,572.14	-
- General Fund		81	258.41			(3.74)
- HRA		21	1,860.96			(297.73)
Council Tenants						
Rent*		82	28,023.36	12	14,569.70	(1,154.40)
Benefit Overpayments		261	64,172.40	22	44,598.63	
Excess Charge						
Residents		1,133	55,972.70			
Car Parks		1,017	34,335			
TOTAL		<u>2,671</u>	<u>200,641.83</u>	<u>45</u>	<u>85,822.23</u>	<u>(7,336.82)</u>

3. **STAFFING/RESOURCES COMMENTS**

Not Applicable

4. **CITY TREASURER'S COMMENTS**

Included within the report.

5. **LEGAL COMMENTS**

Not Applicable

6. **CORPORATE COMMENTS**

Not Applicable

7. ENVIRONMENTAL IMPLICATIONS

Not Applicable

8. RECOMMENDATIONS

The Committee is requested to:-

- 8.1 Write-off the sum of £85,822.23 in respect of debts over £1000.
- 8.2 Note the City Treasurer's action in writing off debts totalling £200641.83 in respect of bad debts under £1000.
- 8.3 Note that the costs will fall against the
- | | | |
|-------------------------|---|--------------------|
| General Fund | - | £104,128.63 |
| Housing Revenue Account | - | £153,225.05 |
| NNDR National Pool | - | £ 18,398.14 |
| Council Tax Pool | - | <u>£ 10,712.24</u> |
| | | £286,464.06 |
- 8.4 'Write-ons' will be credited as follows:
- | | | |
|-------------------------|---|-------------------|
| NNDR | - | £ 240.44 |
| General Fund | - | £ 297.73 |
| Council Tax | - | £ 5,640.51 |
| Housing Revenue Account | - | <u>£ 1,158.14</u> |
| Total | | £ 7,336.82 |
- 8.5 In the case of General Fund the Write-offs will be charged against provisions made for bad debts. However VAT which has been separately identified will be recouped in future VAT returns. In the case of HRA, the element relating to former tenant arrears/Council Tenant Housing Benefit Overpayment £150,209.69 (net) will be charged against a provision made for the purpose. Write-off/write on of Council Tax and NNDR will fall against the pool provisions within those accounts. Any Council Tax or NNDR Court Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

9. REASONS FOR RECOMMENDATIONS

Debts irrecoverable for reasons stated.

D Thomas

City Treasurer

Contact: Peter Mason 7270

City Treasury, Carlisle, 4 March 2002, PM/EL/f1470102