



**PORTFOLIO AREA:**

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Date of Meeting: 25 March 2002

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Public

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Key Decision: No

Recorded in Forward Plan: No

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Inside/Outside Policy Framework

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**Title: BAD DEBT WRITE-OFFS FOR COUNCIL TAX AND COUNCIL HOUSE RENTS**

**Report of: The City Treasurer**

**Report reference: Financial Memo No 2001/02 No 149**

**Summary and Recommendations:**

The Committee is requested to:-

Write-off the sum of £60,203.58 in respect of debts over £1,000.

Note the City Treasurer's action in writing off debts totalling £16,123.66 in respect of bad debts under £1,000.

Note that the costs will fall against the		'Write-ons' will be credited as follows:	
NNDR Pool	£ 45,596.49	Council Tax Pool	£ 582.42
General Fund	£ 2,062.45	Housing Revenue Account	<u>£ 453.22</u>
Housing Revenue Account	£ 9,242.41		
Council Tax Pool	<u>£ 18,840.24</u>		
Total	£ 75,741.59	Total	£ 1,035.64

**Contact Officer:** Peter Mason

**Ext:** 7270

**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

## CITY OF CARLISLE

To: The Executive  
Date: 25 March 2002

Financial Memo  
2001/02 No 149

### BAD DEBT WRITE-OFF FOR COUNCIL TAX, AND COUNCIL HOUSE RENTS

#### **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 £16,123.66 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	-	44,945.06
Appendix 2 – Council House Tenants		
Housing Benefit Overpayments	-	4,879.12
Appendix 3 – Private Tenants Housing Benefit		
Overpayment	-	1,590.21
Appendix 4 – Council Tax	-	8,203.54

Are schedules of other debts exceeding £1000 and the committee is asked to consider the write-off of these debts which total £60,203.58.

- 1.3 The 'write-ons' itemised in Table One totalling £1,035.64 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>Under</u>	<u>Under £1000</u>	<u>£1000 &amp;</u>	<u>£1000 &amp;</u>	<u>Write-Ons</u>
		<u>£1000</u>	<u>Amount</u>	<u>Over</u>	<u>Over</u>	<u>Amount</u>
		<u>No of</u>		<u>No of</u>	<u>Amount</u>	
		<u>Accounts</u>		<u>Accounts</u>		
			£		£	£
NNDR		2	651.43	3	44,945.06	
Council Tax		44	10,636.70	6	8,203.54	(582.42)
Council Tenants						
- Rent		9	1,860.98			(453.22)
- Benefit		50	2,502.31	1	4,879.12	
Overpayments						
Private Tenant		4	472.24	1	1,590.21	
Benefit						
Overpayment						
TOTAL		109	16,123.66	11	60,203.58	(1,035.64)

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. **RISK MANAGEMENT ASSESSMENT**

Not Applicable

**8. EQUALITY ISSUE**

Not Applicable

**9. ENVIRONMENTAL IMPLICATIONS**

Not Applicable

**10. CRIME AND DISORDER IMPLICATIONS**

Not Applicable

**11. RECOMMENDATIONS**

The Committee is requested to:-

11.1 Write-off the sum of £60,203.58 in respect of debts over £1000.

11.2 Note the City Treasurer's action in writing off debts totalling £16,123.66 in respect of bad debts under £1000.

11.3 Note that the costs will fall against the

NNDR Pool	-	£ 45,596.49
General Fund	-	£ 2,062.45
Housing Revenue Account	-	£ 9,242.41
Council Tax Pool	-	<u>£ 18,840.24</u>
		<u>£ 75,741.59</u>

11.4 Write-ons' will be credited as follows:

Council Tax Pool	£ 582.42
Housing Revenue Account	- <u>£ 453.22</u>
Total	£ 1,035.64

11.5 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 Council Tenant Rents and Housing Benefit Overpayments £8,789.19 (net) will be charged against a provision made for the purpose. Write-off/write on of Council Tax will fall against the pool provisions within those accounts. Any Council Tax Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

**12. REASONS FOR RECOMMENDATIONS**

Debts irrecoverable for reasons stated.

**D THOMAS**  
CITY TREASURER

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City Treasury  
Carlisle  
19 March 2002  
PM/EL/f1490102