

REPORT TO EXECUTIVE

PORTFOLIO AREA: FINANCE AND RESOURCES

Date of Meeting:	25 November 2002		
Public			
Key Decision:	No	Recorded in Forward Plan:	No
Inside Policy Framework			

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

Report of: The City Treasurer

Report reference: Financial Memo 2002/03 No 85

Summary & Recommendations:

The Committee is requested to:-

Write-off the sum of £246,518.10 in respect of debts over £1,000.

Note the City Treasurer's action in writing off debts totalling £149,101.77 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 £ 13,586.35 Council Tax £ 2,205.94

Housing Revenue Account £356,308.19 Housing Revenue Account £ 165.75

NNDR National Pool £ 22,137.64 General Fund £ 168.92

Council Tax Pool £ 3,587.69

Total £395,619.87 £ 2,540.61

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CITY OF CARLISLE

To: The Executive Financial Memo

25 November 2002 2002/03 No 85

BAD DEBT WRITE-OFFS FOR COUNCIL TAX,
NATIONAL NON-DOMESTIC RATES, DEBTORS,
AND COUNCIL HOUSE RENTS

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1. BACKGROUND INFORMATION AND OPTIONS

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 £149,101.77, such bad debts are summarised for the Executive's information in Table 1 of this report.

2. Also itemised in appendices:

£

Appendix 1 – NNDR - 18,961.80

Appendix 2 – Council House Rents - 227,556.30

are schedules of other debts exceeding £1000 and the committee is asked to consider the write-off of these debts which total £246,518.10.

3. The 'write-ons' itemised in Table One totalling £2,540.62 are in respect of balances originally written off that have since been paid and credit write-offs.

4. The write-offs are fully provisioned as explained in paragraph 3.5 below.

2. TABLE ONE

<u>Type of Debt</u>	<u>Under £1000 No of Accounts</u>	<u>Under £1000 Amount</u>	<u>£1000 & Over No of Accounts</u>	<u>£1000 & Over Amount</u>	<u>Write-Ons Amount</u>
		£		£	£
NNDR	9	3,175.84	7	18,961.80	
Council Tax	17	3,587.69			(2,205.94)
Debtors	66				(168.92)
- General Fund	30	13,586.35			(165.75)
- HRA		465.35			
Council Tenants Rent* Benefit Overpayments	353	128,286.54	144	227,556.30	
TOTAL	<u>475</u>	<u>149,101.77</u>	<u>151</u>	<u>246,518.10</u>	<u>(2,540.61)</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:-

1. Write-off the sum of £246,518.10 in respect of debts over £1000.
2. Note the City Treasurer's action in writing off debts totalling £149,101.77 in respect of bad debts under £1000.
3. Note that the costs will fall against the

General Fund - £ 13,586.35

Housing Revenue Account - £356,308.19

NNDR National Pool - £ 22,137.64

Council Tax Pool - £ 3,587.69

£395,619.87

4. 'Write-ons' will be credited as follows:

Council Tax - £ 2,205.94

Housing Revenue Account - £ 165.75

General Fund - £ 168.92

Total £ 2,540.61

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 £355,842.84 (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

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14 November 2002, PM/CH/f850203