



REPORT TO EXECUTIVE

PORTFOLIO AREA: GOVERNANCE AND RESOURCES

Date of Meeting: 30 August 2011

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: BAD DEBT WRITE-OFFS FOR NNDR, COUNCIL TAX AND DEBTORS (INCLUDING PENALTY CHARGE NOTICES)

Report of: Assistant Director (Resources)

Report reference: RD41/11

Summary & Recommendations:

The Committee is requested to:-

1. Write-off the sum of £131,919.46 in respect of debts over £1,000.
2. Note the Assistant Director (Resources) action in writing off debts totalling £61,138.26 in respect of bad debts under £1,000.
3. Note that the costs will fall against the

| | | |
|------------------|---|--------------------|
| General Fund | - | £ 94,610.84 |
| Council Tax Pool | - | £ 8,528.73 |
| NNDR Pool | - | <u>£ 89,918.15</u> |
| Total | - | £ 193,057.72 |
4. 'Write-ons' will be credited as follows:

| | | |
|--------------|---|-------------------|
| General Fund | - | £ 18,544.56 |
| Council Tax | - | £ 7,957.61 |
| NNDR Pool | - | <u>£ 7,049.27</u> |
| Total | - | £ 33,551.44 |

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
30 August 2011

RD41/11

BAD DEBT WRITE-OFFS FOR NNDR, COUNCIL TAX,
AND DEBTORS (INCLUDING PENALTY CHARGE NOTICES)

1. INTRODUCTION

- 1.1 In accordance with the Assistant Director (Resources) delegated authority for the write-off of outstanding debts under £1,000, the Executive is asked to note debts totalling £61,138.26 have been written off, such bad debts are summarised for the Executive's information in Table 1 of this report.
- 1.2 Also itemised in appendices are schedules of other debts exceeding £1,000 and the committee is asked to consider the write-off of these debts which total £131,919.46.

| | |
|---|-----------|
| | £ |
| Appendix 1 - NNDR | 84,634.54 |
| Appendix 2 - General Fund (Private Tenants) | 47,284.92 |

- 1.3 The 'write-ons' itemised in Table One totalling £33,551.44 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 below.

TABLE 1

| <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 | 13 | 5,283.61 | 24 | 84,634.54 | (7,049.27) |
| Council Tax | 30 | 8,528.73 | - | - | (7,957.61) |
| Debtors | | | | | |
| Private Tenants | 108 | 23,169.82 | 13 | 47,284.92 | (11,783.52) |
| Housing Benefit | | | - | - | |
| Overpayments | | | | | |
| General Fund | 41 | 1,846.77 | - | - | (5.18) |
| Penalty Charge | | | | | |
| Notices | | | | | |
| On Street | 236 | 21,191.33 | | | |
| Off Street | 13 | 1,070.0 | | | |
| Ex FTA | - | - | | | |
| Ex FTA Benefit | 1 | 48.00 | - | - | (6,755.86) |
| TOTAL | <u>442</u> | <u>61,138.26</u> | <u>37</u> | <u>131,919.46</u> | <u>(33,551.44)</u> |

2. RECOMMENDATIONS

The Committee is requested to:-

- 2.1 Write-off the sum of £131,919.46 in respect of debts over £1,000.
- 2.2 Note the Assistant Director (Resources) action in writing off debts totalling £61,138.26 in respect of bad debts under £1,000.

2.3 Note that the costs will fall against the

| | | |
|------------------|---|--------------------|
| General Fund | - | £ 94,610.84 |
| Council Tax Pool | - | £ 8,528.73 |
| NNDR Pool | - | <u>£ 89,918.15</u> |
| Total | - | £193,057.72 |

2.4 'Write-ons' will be credited as follows:

| | | |
|------------------|---|-------------------|
| General Fund | - | £ 18,544.56 |
| Council Tax Pool | - | £ 7,957.61 |
| NNDR Pool | - | <u>£ 7,049.27</u> |
| Total | - | £ 33,551.44 |

- 2.5 In the case of General Fund the Write-offs will be charged against provisions made for bad debts (except for PCN's which are accounted for on a cash basis). However VAT which has been separately identified will be recouped in future VAT returns. Note HRA debts and provisions have been transferred to the General Fund. Write-off/write on of Council Tax will fall against the pool provisions within those accounts. Any Council Tax Court Costs written off will be charged against the costs 'Bad Debt' provision within the General Fund.

3. REASONS FOR RECOMMENDATIONS

Debt irrecoverable

4. IMPLICATIONS

- Staffing/Resources – Not Applicable
- Financial – Included within the report.
- Legal – Not Applicable
- Corporate – Not Applicable
- Risk Management – Not Applicable
- Equality Issues – Not Applicable
- Environment – Not Applicable
- Crime and disorder – Not Applicable
- Impact on the Customer – Not Applicable

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- **Impact assessments**

- **Does the change have an impact on the following?**

-

| Equality Impact Screening | Impact Yes/No? | Is the impact positive or negative? |
|--|-----------------------|--|
| Does the policy/service impact on the following? | | |
| Age | N | N/A |
| Disability | N | N/A |
| Race | N | N/A |
| Gender/ Transgender | N | N/A |
| Sexual Orientation | N | N/A |
| Religion or belief | N | N/A |
| Human Rights | N | N/A |
| Social exclusion | Y | Positive |
| Health inequalities | N | N/A |
| Rurality | N | N/A |

- **If you consider there is either no impact or no negative impact, please give reasons:**

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- **If an equality Impact is necessary, please contact the P&P team.**

P MASON
Assistant Director (Resources)

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