

CABINET

31 August 2011

Report of the Portfolio Holder, Corporate Services & Assets

WRITE OFFS 01/04/2011 – 30/06/2011

EXEMPT INFORMATION

Not exempt.

PURPOSE:

To provide members with details of write offs from 01 April 2011 to 30 June 2011.

RECOMMENDATIONS:

That members endorse the amount of debt written off.

Executive Summary

The Heads of Service are responsible for the regular review of debts and consider the need for write off and authorise where necessary appropriate write offs in line with the Corporate Credit Policy. This report shows the position for the current financial year. Further updates will continue to be produced on a quarterly basis.

Type	01/04/11-30/06/11
Council Tax	-£5.46
Business Rates	£131,232.95
Sundry Income	£18,125.98
Housing Benefit Overpayments	£3,294.75

RESOURCE IMPLICATIONS

There are no new financial implications arising from this report. As the write offs detailed have already been approved in line with the Corporate Credit Policy/Financial Regulations and have been reported to members where appropriate.

Members should note that NNDR write offs are covered by amending the Council's contribution to the Non Domestic Rating Pool.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable.

SUSTAINABILITY IMPLICATIONS

Not applicable.

CONCLUSIONS

That the amounts written off be endorsed.

BACKGROUND INFORMATION

This forms part of the Council's Corporate Credit Policy and effective management of debt.

The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and will need to be considered for write off in accordance with the schemes of delegation prescribed in the Corporate Credit Policy.

The Council views such cases very much as exceptions. Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and type of debt together with any factors that it feels are relevant to the individual case.

Debt Write Off

Authorisations are needed to write off debt:

Authority	Account Value
Chief Officer (or authorised delegated officer)	up to £5,000
Corporate Director (Resources)	£5,001 - £10,000
Cabinet	over £10,000

These limits apply to each transaction.

All write offs are completed in accordance with the Accounts and Audit Regulations 2003.

Bad Debt Provision

The level of the provision must be reviewed jointly by the unit and accountancy on at least a quarterly basis as part of the management performance review, and the table below gives the mandatory calculation

Where the debt is less than 6 months old it will be written back to the service unit.

Debt Outstanding	Provision (net of VAT)
Between 6 and 12 months old	50%
Between 12 and 24 months old	75%
Over 24 months old	100%

The financial effects of providing for Bad Debts will be reflected in the Council's accounts at Service Unit level.

Please note that the Deputy Director of Housing and Health will report separately on write offs.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

Corporate Credit Policy- effective management of debt

APPENDICES

Appendices A to D give details of write offs completed for the Revenues and Benefits Service

Appendix A- Council Tax

Approval Date	Deputy Director Finance, Exchequer & Revenues				Corporate Director Of Resources (£5,000.01-£10,000)	Cabinet (£10,000.01 and over)	Remitted	No. of accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)					
Reversals	-£ 5.24							1	Payment received
	-£ 0.22							1	Benefit award
Totals	-£ 5.46	£ -	£ -	£ -	£ -	£ -	£ -	2	
					Grand Total	-£ 5.46			

Appendix B- Business Rates

Approval Date	Deputy Director Finance, Exchequer & Revenues				Corporate Director Of Resources (£5,000.01-£10,000)	Cabinet (£10,000.01 and over)	Remitted	No. of accounts	Reason(s)
	(£0.00-£75.00)	(£75.01-£500.00)	(£500.01-£1,000.00)	(£1,000.01-£5,000)					
01/06/2011					£135,080.50			18	Insolencies
Reversals				-£3,847.55				2	Rateable Value changes
Totals	£ -	£ -	£ -	£ 3,847.55	£ 135,080.50	£ -	£ -	20	
					Grand Total	£ 131,232.95			

Appendix C- Miscellaneous Income

	Deputy Director of Assets & Environment		Corporate Director Of Resources (£5,000.01-£10,000)	Environmental & Reg Services	Housing	Communities, Planning & Partnership	No. of accounts	Reason(s)
	(£0.00-£999.99)	(£1,000.01-£5,000)						
13/05/2011					£ 7,413.37		21	Uneconomic to collect
19/05/2011						£ 4,434.51	1	Liquidation
10/06/2011	£ 2,513.31						13	Uneconomic to collect
		£ 3,393.75					1	Liquidation
17/06/2011					£ 371.04		3	Uneconomic to collect
Totals	£ 2,513.31	£ 3,393.75	£ -	£ -	£ 7,784.41	£ 4,434.51	39	
				Grand Total	£ 18,125.98			

