

WRITE OFFS approved by Corporate Team

EXECUTIVE MEMBER: Cllr Elaine Woodburn: Leader of the Council
LEAD OFFICER: Alison Clark, Accountancy Services Manager
REPORT AUTHOR: Jane Salt, Head of Customer Services

Summary and Recommendation:

The Executive note the writing off of debts totaling £14,825.63

1. INTRODUCTION

- 1.1 Under the Council's Financial regulations all write offs must be submitted by the Service Manager to their Head of Service for counter signing before being considered by Corporate Team.
- 1.2 Once approved by Corporate Team a summary must be reported to Executive, this report is that summary.
- 1.3 £10,391.22 is being written off in respect of debts where the debtor is bankrupt or the company dissolved. To date for 2009/10 the total number of accounts written off for this reason is 129, compared to 52 during 08/09.

2. CONCLUSIONS

- 2.1 Of the amount approved for write off the Council bears a different proportion depending on the type of debt. For example Central Government bears the full cost of Non Domestic Rate write-offs, which accounts for £2,437.73 of the total debt being written off. This amount equates to 0.0067% of the debt raised for 2009/10.
- 2.2 Debts in respect of Council Tax total £7,150.81 and fall on the Collection Fund, of which any surplus or deficit is shared by the relevant authorities in the ratio of their precepts on the Collection Fund in the previous year. This ratio for 2009/10 could mean that the amount of debt falling to Copeland Borough Council would be £858.10. The amount to be written off equates to 0.0248% of the debt raised for 2009/10.

Agreement for the write-off of debts was confirmed on, by Corporate Team and will be reflected in the actual surplus or deficit upon the Collection Fund 2009/10. The surplus or deficit at the year end on the Collection Fund forms the first call on the Collection Fund in the following year i.e. 2010/11, and this opening balance will be reflected in the Council Tax calculations for 2011/12.

- 2.3 The remaining debt in respect of housing benefit overpayments (£2,518.39) and sundry debts (£2,718.70) falls completely on the Council.

- 2.4 The bad debt write-offs in respect of housing benefit overpayments are charged to the housing benefits cost centre. Write-offs in respect of sundry debts are charged back to the service cost centre which received the benefit of the debtor income when it was originally raised.

3. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 3.1 The cost to the Council of writing off debts as set out in this report, noting the exception in relation to National Non-Domestic Rates, which are funded by central government and the Council Tax, where Copeland BC meets a proportion of the debt, in the ratio of its precept.

4. PROJECT AND RISK MANAGEMENT

- 4.1 None

5. IMPACT ON CORPORATE PLAN

- 5.1 None

List of Appendices None

List of Background Documents: Local Government Finance Act 1992
Financial regulations

List of Consultees: Corporate Team, The Leader,