

ANGUS COUNCIL

RESOURCES AND CENTRAL SERVICES COMMITTEE – 29 JANUARY 2004

AUTHORITY TO WRITE OFF BAD DEBTS (COMMUNITY CHARGE) FINANCIAL YEAR 2003/04

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

This report seeks authority from the Council to write off the amounts detailed as bad debts in respect of Community Charge.

1. RECOMMENDATION(S)

It is recommended that the Council agree to write off amounts detailed.

2. BACKGROUND

Details are noted of amounts due to Angus Council which, for various reasons, have not been collected and have either been in the hands of Sheriff Officers, Debt Recovery Agents or are untraced debtors. The amounts also include accounts where the outstanding balance is uneconomic to collect.

3. COMMUNITY CHARGE

Table 1 gives details of the proposed Community Charge write offs.

TABLE 1

YEAR	CHARGES LEVIED	PROPOSED WRITE OFF	PREVIOUS WRITE OFF	TOTAL WRITE OFF	CUMULATIVE
	£	£	£	£	%
1989/90	23,282,968	9,399	741,392	750,791	3.22
1990/91	24,124,274	50,961	855,462	906,423	3.76
1991/92	19,971,846	47,425	717,813	765,238	3.83
1992/93	21,700,790	6,609	815,061	821,670	3.79
TOTALS	89,079,878	114,394	3,129,728	3,244,122	3.64

Substantial provisions for bad debts exist within the accounts of Angus Council. The balance of those provisions, against which the proposed write offs would be set, amounted to £593k as at 31 March 2003. The write offs proposed in table 1 are consequently adequately provided for in the Council's accounts.

The amount outstanding on Community Charge at 30 November, prior to this proposed write off, was £690k. The proposed write off would reduce the amount outstanding to £576k and the provision would reduce to £479k.

The remainder of the outstanding debt is still being actively pursued.

The value of Community Charge accounts to be written off is further analysed in table 2:

TABLE 1

YEAR	UNDER £20 OUTSTANDING	UNTRACED DEBTORS	SEQUESTRATION/ BANKRUPTCY	DECEASED	IRRECOVERABLE	TOTAL
	£	£	£	£		
1989/90	-18.88	1429.46	364.48	578.59	7045.19	9398.84
1990/91	-12.61	3773.10	497.82	863.49	45839.51	50961.31
1991/92	-6.25	2745.19	497.61	797.61	43391.13	47425.29
1992/93	13.76	4676.72	726.56	1192.17		6609.21
TOTALS	-23.98	12624.47	2086.47	3431.86	96275.83	114394.65

4. FINANCIAL IMPLICATIONS

There are no implications for the Council's budget in the current financial year as the write offs recommended in this report will be set against the balance of provisions already accrued in the accounts of Angus Council and which will adequately cover the sums involved.

Additionally I would stress that although these and previous accounts may be written off, the files remain open and every effort will be made to collect debts if circumstances change.

5. CONSULTATION

The Chief Executive and the Director of Law and Administration have been consulted in the preparation of this report.

6. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications arising as a result of this report.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above Report.

DAVID SAWERS
DIRECTOR OF FINANCE

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