

Cheltenham Borough Council
Cabinet – 17 March 2015
Write off of obsolete Trading stock

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	Director of Corporate Resources (Section 151 Officer), Mark Sheldon
Ward(s) affected	None
Key/Significant Decision	No
Executive summary	This report summarises the position in respect of stock held by the Council in respect of The Wilson shop as at 1 st October 2014, being the date of commencement of trading of Cheltenham Leisure & Culture Services Ltd.
Recommendations	<p>Cabinet</p> <ol style="list-style-type: none"> 1. Approve the write off of £11,943 of stock held at The Wilson at 1st October 2014. 2. Note the use of the Leisure & Culture earmarked reserve to fund the cost of this stock write off.

Financial implications	As detailed in this report. Contact officer: Sarah Didcote, Sarah.Didcote @cheltenham.gov.uk, 01242 264125
Legal implications	As detailed in Section 2 to this report. Contact officer: Peter Lewis , Peter.Lewis@teWKesbury.gov.uk
HR implications (including learning and organisational development)	None
Key risks	None
Corporate and community plan Implications	None
Environmental and climate change implications	None

1. Background

- 1.1 The Council's leisure and culture services were transferred to The Cheltenham Trust on 1st October 2014. The Cheltenham Trust is an independent charitable organisation, with a trading subsidiary, Cheltenham Leisure & Culture Limited.
- 1.2 A stock count was undertaken of stock held by the Council at 1st October 2014, to be purchased by Cheltenham Leisure & Culture Limited, in accordance with the Management Agreement with the Council. The value of this stock was calculated at cost price, totalling £44,895.
- 1.3 A request has been received from The Cheltenham Trust for individual stock items totalling £11,943, included in the stock count, to be written off within the Council's accounting records, as it is considered obsolete and not able to be sold within The Wilson shop.

2. Reasons for recommendations

- 2.1 Under Financial Rules F11.2, if the accumulated amount of stock to be written out exceeds £10,000 during the financial year, a report must be made to Cabinet. Individual amounts in excess of £5,000 shall be approved by Cabinet.
- 2.2 The stock requested for write off includes items held since 2003 that are obsolete and can not be sold. However, although the stock has no retail value, consideration will be given to passing certain re-usable items to charity to be utilised for internal purposes, where possible; for example stationery bearing old logos.
- 2.3 A new earmarked reserve of £200,000 was approved by Council on 14th February 2014, to support any unforeseen deficits that may arise in the early years of trading. The Section 151 Officer has delegated authority, under financial rule B11.4, to approve the use of this reserve to fund the £11,943 cost of stock recommended to be written off.

3. Consultation and feedback

- 3.1 The Cheltenham Trust has been consulted in the production of this report.

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