

Subject: National Non-Domestic Rate & Council Tax Write Offs

Status: For Publication

Report to: Cabinet

Date: 17th March 2010

Report of: Head of Customer Services & ICT.

Portfolio

Holder: Customer Services

Key Decision: No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 The purpose of the report is request member authority to write off bad debts of National Non-Domestic Rates (NNDR) which are above the delegated limit of £2000 (see Appendix 1).

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objectives:-

- Delivering Quality Services to Customers (Customers, Improvement)
- Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

3.1 There are no specific risk issues for members to consider arising from this report.

4. BACKGROUND AND OPTIONS

4.1 Before the accounts for the year are closed down it is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.

4.2 The sum of £25809.11 is regarded as irrecoverable in respect of Non-Domestic Rates due to, amongst other causes, bankruptcy, liquidation and no forwarding address and is recommended for write off. Accounts with a debt to be written off have been checked thoroughly by contacting other Local Authorities,

landlords, solicitors and new occupiers. A creditor's claim has been lodged for all businesses or individuals who have gone into liquidation or have been made bankrupt.

- 4.3 The sum of £12943.79 is regarded as irrecoverable in respect of Council Tax, amongst other causes, bankruptcy, decisions of the Magistrates' Court and no forwarding address and is recommended for write off. Accounts with a debt to be written off have been checked thoroughly by contacting other Local Authorities, landlords, solicitors and new occupiers. A creditor's claim has been lodged for all businesses or individuals who have gone into liquidation or have been made bankrupt.
- 4.4 A record of all debts written off is maintained in the event that there is an opportunity for future collections.
- 4.5 The cost of write off for NNDR does not fall on the Council fund directly but is absorbed by central government through the national pooling arrangement.
- 4.6 The cost of write off of Council Tax does fall on the Council fund directly. Provision is made through the Council's budgeting process in order to allow for a small number of debts which prove to be irrecoverable.

COMMENTS FROM STATUTORY OFFICERS

5. SECTION 151 OFFICER

- 5.1 There are no direct financial implications for the Council. Indirectly the non-collection of NNDR means that less funds are passed to the central pool and therefore there is less to redistribute to all authorities.

6. MONITORING OFFICER

- 6.1 There are no legal implications arising from the report.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 There are no Human Resources implications arising from the report.

8. CONCLUSION

- 8.1 The write-offs are within the provisions available and recommendation to write off is made within the grounds of prudence before the financial year end.

9. RECOMMENDATION(S)

- 9.1 Members are recommended to approve the write off of £25809.11 in relation to irrecoverable National Non-Domestic Rates.
- 9.2 Members are recommended to approve the write off of £12943.79 in relation to irrecoverable Council Tax.

9.3 That Cabinet recommends to Council to increase delegated authority to approve sundry debtor write offs up to the value of £5,000 to the Head of Financial Services in consultation with the Portfolio Holder for Finance and Resources and that this be recommended for inclusion in the Annual Review of the Constitution.

10. CONSULTATION CARRIED OUT

10.1 Revenues Manager (Capita on behalf of Rossendale Borough Council).

11. COMUNITY IMPACT ASSESSMENT

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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No background papers