

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

**Status:** For Publication

**Report to:** Cabinet

**Date:** 17<sup>th</sup> March 2011

**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 £5000 (see Appendix 1).

**2. CORPORATE PRIORITIES**

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

- Responsive and Value for Money local services

**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 £53085.07 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 £8210.94 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.

## **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 5.1 Financial matters are dealt with in the report. As the invoices in Appendix 1 are over £5,000 each they require member approval to write off.

## **6. COMMENTS OF THE MONITORING OFFICER**

- 6.1 Unless specifically commented upon within the report, there are no implications for consideration

## **7. COMMENTS OF THE HEAD OF PEOPLE & POLICY**

- 7.1 There are no HR implications.

## **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 The Council is recommended to approve the write off of £53085.07 in relation to irrecoverable National Non-Domestic Rates.
- 9.2 The Council is recommended to approve the write off of £8210.94 in relation to irrecoverable Council Tax.

## **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