

<b>Subject:</b>	Irrecoverable Debt Report	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	6 <sup>th</sup> March 2013
<b>Report of:</b>	Finance Manager	<b>Portfolio Holder:</b>	Finance and Resources
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	<b>General Exception</b>	<input type="checkbox"/> <b>Special Urgency</b> <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	<del>Yes</del> /No	Attached: <del>Yes</del> /No
<b>Biodiversity Impact Assessment</b>	Required:	<del>Yes</del> /No	Attached: <del>Yes</del> /No
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1.	<b>RECOMMENDATION(S)</b>
1.1	Members are recommended to approve the write off of £7,420.19 in respect of irrecoverable Council Tax debts.
1.2	Members are recommended to approve the write off of £83,902.43 in respect of irrecoverable Non-Domestic Rate debts.

## 2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to request member authority to write off bad debts of Council Tax, National Non-Domestic Rates (NNDR) and sundry debts which are above the delegated limit of £5000 (see Appendix 1).

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Responsive and value for money local services** – responding to and meeting the different needs of customers and improving the cost effectiveness of services.

Strong financial control ensures the effective management of the Council's resources, which then enables the provision and delivery of value for money services.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 There are no specific risk issues for members to consider arising from this report. Funds are already provided to support such write-offs and officers now consider these debts to be irrecoverable.

## 5. BACKGROUND AND OPTIONS

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. Appendices 1 and 2 show the debts above the £5k limit delegated to the Head of Finance which now require Member approval for write-off.

### 5.1 Appendix 1 – Council Tax

The sum of £7,420.19 is regarded as irrecoverable in respect of Council Tax due from one individual, going back to 2000/2001.

The individual in question has been declared bankrupt. However, a record of all debts written-off is maintained in the event that there is an opportunity for future collections.

## 5.2 Appendix 2 – Non-Domestic Rates

The sum of £83,902.43 is regarded as irrecoverable in respect of Non-Domestic Rates due from 10 accounts.

Creditor's claims have been lodged in respect of these debts and a record of all debts written off is maintained in the event that there is an opportunity for future collections.

## 5.3 Sundry Debts

There are no sundry debts over £5,000 awaiting write-off approval.

## 5.4 Resources for Write-off

A provision is made for the write off of Council Tax debt, shared amongst the preceptors in proportion to their element of the Council Tax itself. The accumulated provision available is currently £1,905k.

The financial year 2012/13 is the final year where 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, therefore it is more important than ever that any debts deemed irrecoverable are cleared. The provision available is currently £305k.

## COMMENTS FROM STATUTORY OFFICERS:

### 6. SECTION 151 OFFICER

6.1 Financial matters are dealt with in the report. As the accounts in the attached Appendices are over £5,000 each they require member approval to write off.

### 7. MONITORING OFFICER

7.1 Unless specifically commented upon within the report, there are no specific legal implications for consideration.

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

8.1 Unless specifically commented upon within the report, there are no specific human resource implications for consideration.

### 9. CONSULTATION CARRIED OUT

9.1 Directors, Heads of Services and Budget Holders.

### 10. CONCLUSION

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

#### Background Papers

Document	Place of Inspection
Monthly detailed financial monitoring statements for each service area	Financial Services
Final Accounts working papers	Financial Services