Report to	Cabinet	**Item**
	19 January 2018	8
Report of	Director of business services	
Subject	Write off of irrecoverable national non domestic rate debt	

KEY DECISION

Purpose

To provide an update on the position as at 16 January 2018 with regard to the write off of non- recoverable national non domestic rate (NNDR) debt and request approval for the write-off of debts totalling £266,138.75 which are deemed irrecoverable.

Recommendation

To approve the proposed write off of £266,138.75 of NNDR debt which is now believed to be irrecoverable.

Corporate and service priorities

The report helps to meet the corporate priority value for money services and the service plan priority to provide accurate, relevant and timely financial information.

Financial implications

The cost to the collection fund of write offs is shared as follows: Central Government 50%, Norwich City Council 40% and Norfolk County Council 10%. However, each year an assessment of debt is undertaken to set a Bad Debt provision within the Collection Fund.

These write-offs of £266,138.75 will mean that there will be **£1,473,361.21** left in the bad debt provision for 2017/18.

Ward/s: All wards

Cabinet member: Councillor Kendrick - resources

Contact officers

Anton Bull, director of business services	01603 212326
Carole Jowett, revenues and benefits operations manager	01603 212684

National Non Domestic Rates

1. National Non Domestic Rate income for 2017/18 is forecast to total £75m. Significant work is undertaken by the Revenues and Benefits team to pursue all outstanding debt. However, there are debts where despite this work, the debt is believed to be irrecoverable often because the company owing the money has become insolvent. In the year to 16 January 2018 £299k of NNDR debt has been written off which is the equivalent of 0.40% NNDR annual income.

2. Two further amounts totalling £266,138.75 require cabinet approval for write-off because of their value. The debts relate to Eylex Limited and Project Zeus Ltd both companies have gone into liquidation with no prospect of distribution to creditors.

3. The cost to the collection fund of write offs is shared as follows: central government 50%, Norwich City Council 40% and Norfolk County Council 10%. The Norwich City Council share of write-off's to date including the ones proposed in this report is £226k.

4. Each year an assessment of debt is undertaken to set the bad debt provision within the collection fund. These write offs will be charged in full against the provision.

Integrated impact assessment

Report author to complete	
Committee:	Cabinet
Committee date:	14/03/2018
Director / Head of service	Director of business services
Report subject:	Write-off of non-recoverable National Non Domestic Rate debt
Date assessed:	21/2/2018

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	X	☐	The report shows that the council monitors its debt levels and pursues debt wherever there is a reasonable chance of recovery resulting in a low level of debt write off.
Other departments and services e.g. office facilities, customer contact	X	☐	☐	
ICT services	X	☐	☐	
Economic development	X	☐	☐	
Financial inclusion	X	☐	☐	
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	X	☐	☐	
S17 crime and disorder act 1998	X	☐	☐	
Human Rights Act 1998	X	☐	☐	
Health and well being	X	☐	☐	

	Impact			
Equality and diversity (please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	X	☐	☐	
Eliminating discrimination & harassment	X	☐	☐	
Advancing equality of opportunity	X	☐	☐	
Environmental (please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	X	☐	☐	
Natural and built environment	X	☐	☐	
Waste minimisation & resource use	X	☐	☐	
Pollution	X	☐	☐	
Sustainable procurement	X	☐	☐	
Energy and climate change	X	☐	☐	
(Please add an ‘x’ as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**

	Impact			
Risk management	☐	X	☐	The report demonstrates that the council is aware and monitors risks to the collection of its income.

Recommendations from impact assessment
Positive
None
Negative
None
Neutral
None
Issues
The council should continue to monitor its levels of debt and take action to recover where possible and costs effective to do so.