

**Report to** Cabinet  
08 August 2018  
**Report of** Director of business services  
**Subject** Write off of irrecoverable national non domestic rate debt

**Item**

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### **Purpose**

To provide an update on the position as at 4 July 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 £169,939.27 which are deemed irrecoverable.

### **Recommendation**

To approve the write off of £169,939.27 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 £169,939.27 will mean that there will be £1,256,865.29 left in the bad debt provision for 2018/19.

**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

### **Background documents**

None

# Report

## National Non Domestic Rates

1. National Non Domestic Rate income for 2018/19 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 8 August 2018 £140,305.66 of NNDR debt has been written off which is the equivalent of 0.0019% NNDR annual income.
2. Two further amounts totalling £169,939.27 require cabinet approval for write-off because of their value. The debts relate to two companies, Northern Star Ventures (Norwich) Ltd which went into liquidation on 21/10/2016 and was dissolved on 02/04/2018 and we have been advised that there will be no distribution of assets. The second is Kingsrd Norwich Ltd, the company was dissolved on 09/01/2018 and we have been trying to trace the sole director Amba Patel but have been unsuccessful, the Recovery Officer Andrew Bone has reviewed the case and concluded that there is no prospect of recovering the outstanding monies.
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 £124k.
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



**NORWICH**  
City Council

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	12 September 2018
<b>Director / Head of service</b>	Director of business services
<b>Report subject:</b>	Write-off of non-recoverable National Non Domestic Rate debt
<b>Date assessed:</b>	4 July 2018

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	X	<input type="checkbox"/>	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	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	X	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	X	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	X	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	X	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	X	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	X	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	X	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	X	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	X	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	X	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	X	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	X	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	X	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	X	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	X	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	X	<input type="checkbox"/>	The report demonstrates that the council is aware and monitors risks to the collection of its income.

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