

**Report to** Cabinet  
10 December 2014  
**Report of** Chief finance officer  
**Subject** Write off of non- recoverable National Non Domestic Rate  
debt

**Item**

12

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## **Purpose**

To provide an update on the position as at 8 October 2014 with regard to the write off of non- recoverable National Non Domestic Rate (NNDR) debt and request approval for the write off of one debt of £145,580 which is deemed irrecoverable.

## **Recommendations**

To:

- 1) note the level of NNDR debt which has been written off in the year to date; and,
- 2) approve the proposed write off of £146k 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%. The cost of write offs to Norwich City Council for the year to date is therefore £194k. However, provision against these bad debts was made in the Collection Fund accounts for 2013/14.

**Ward/s:** All wards

**Cabinet member:** Councillor Waters – Deputy leader and resources

## **Contact officers**

Justine Hartley, chief finance officer  
Carole Jowett, revenues and benefits operations  
manager

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## **Background documents**

None

# Report

## National Non Domestic Rates

1. National Non Domestic Rate income for 2014/15 is forecast to total £76m. Significant work is undertaken by the Revenues and Benefits team to pursue all outstanding debt, sometimes over a number of years. However, there are debts where despite these attempts the debt is believed to be irrecoverable, often because the company owing the money is now insolvent. In the year to 8<sup>th</sup> October 2014 £339k of NNDR debt has been written off which is equivalent to 0.45% of NNDR annual income.
2. One further amount of £145,580.38 requires Cabinet approval for write-off because of its value. The debt is for Trade White Ltd who traded for the period 27/10/2011 to 17/03/2013. The company were subject to compulsory liquidation at Norwich County Court on 10/09/2013, case 927 of 2013. A dividend has not been paid to the council because there were insufficient funds to meet the claims of secured and preferential creditors in full and the costs and expenses of the liquidation.
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 cost to Norwich City Council of write offs to date and the one proposed in this report is therefore £194k.
4. NNDR write offs often relate to debts from previous years due to the time spent trying to chase these debts. Each year an assessment of debt is undertaken to set a Bad Debt provision within the Collection Fund. These write offs will be charged against the NNDR bad debt provision created at the end of 2013/14 so will have no further impact on the Collection Fund revenues.

## Integrated impact assessment



**NORWICH**  
City Council

### Report author to complete

|                         |   |
|-------------------------|---|
| <b>Committee:</b>       | Cabinet   |
| <b>Committee date:</b>  |   |
| <b>Head of service:</b> | Chief Finance Officer   |
| <b>Report subject:</b>  | Write off of non- recoverable National Non Domestic Rate debt   |
| <b>Date assessed:</b>   | 24/11/14  |
| <b>Description:</b>     | This is the integrated impact assessment for the Write off of non-recoverable National Non Domestic Rate debt report to cabinet |

|  | Impact                              |                                     |                          |   |
|--|-------------------------------------|-------------------------------------|--------------------------|---|
| Economic<br>(please add an 'x' as appropriate)                             | Neutral                             | Positive                            | Negative                 | Comments  |
| Finance (value for money)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <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<br>e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| ICT services   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Economic development   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Financial inclusion  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Social<br>(please add an 'x' as appropriate)                               | Neutral                             | Positive                            | Negative                 | Comments  |
| Safeguarding children and adults   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| <u>S17 crime and disorder act 1998</u>                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Human Rights Act 1998  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |
| Health and well being  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |   |

|  | Impact                              |                                     |                          |  |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                            | Negative                 | Comments   |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Eliminating discrimination &<br>harassment                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Advancing equality of opportunity                            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Environmental<br>(please add an 'x' as appropriate)          | Neutral                             | Positive                            | Negative                 | Comments   |
| Transportation   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Natural and built environment                                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Waste minimisation & resource<br>use                         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |  |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                            | Negative                 | Comments   |
| Risk management  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The report demonstrates that the council is aware of and monitors risks to the collection of its income. |

| Recommendations from impact assessment   |
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| <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 cost effective to do so. |