

REPORT OF THE PORTFOLIO HOLDER, CORE SERVICES AND ASSETS

WRITE-OFF OF IRRECOVERABLE NON-DOMESTIC RATES IN EXCESS OF £10,000

EXEMPT INFORMATION

None

PURPOSE

To seek approval to write-off irrecoverable debt for National Non-Domestic Rates.

RECOMMENDATIONS

That Cabinet approve the write off of £275,202.92 as irrecoverable debt.

EXECUTIVE SUMMARY

Under Financial Regulations, NNDR debts for write-off up to £10k are dealt with by Director of Finance or Executive Director Corporate Services. Debts for write-off greater than £10k require Cabinet authorisation and this report details such accounts. The amounts for consideration are attached in **Appendix A**.

Financial Implications :

| | |
|--|--------------------|
| Bad debt provision | £722,841.25 |
| Less amount of write offs in this report | £275,202.92 |
| Less amount written off to date under delegated powers | <u>£99,667.46</u> |
| Amount remaining | <u>£347,970.87</u> |

RESOURCE IMPLICATIONS

The write offs detailed are subject to approval in line with the Corporate Credit Policy/Financial Regulations.

Members should note as there is a current Bad Debt Provision within the National Non Domestic Rate Pool, this will not impact on the Council's resources.

LEGAL/RISK IMPLICATIONS BACKGROUND

Not applicable.

SUSTAINABILITY IMPLICATIONS

Not applicable.

BACKGROUND INFORMATION

This forms part of the Council's Corporate Credit Policy and effective management of debt.

The Council is committed to ensuring that debt write offs are kept to a minimum by taking all reasonable steps to collect monies due. There will be situations where the debt recovery process fails to recover some or all of the debt and will need to be considered for write off in accordance with the schemes of delegation prescribed in the Corporate Credit Policy.

The Council views such cases very much as exceptions. Before writing off debt, the Council will satisfy itself that all reasonable steps have been taken to collect it and that no further recovery action is possible or practicable. It will take into account the age, size and types of debt together with any factors that it feels are relevant to the individual case.

Debt Write Off

Authorisations are needed to write off debt:

| Authority | Account Value |
|--|----------------------|
| Chief Officer (or authorised delegated officer) | up to £5,000 |
| Executive Director Corporate Services | £5,001 - £10,000 |
| Cabinet | over £10,000 |

These limits apply to each transaction.

Bad Debt Provision

The level of the provision must be reviewed jointly by the unit and Accountancy on at least a quarterly basis as part of the management performance review, and the table below gives the mandatory calculation.

Where the debt is less than 6 months old it will be written back to the service unit.

| Debt Outstanding | Provision (net of VAT) |
|------------------------------|-------------------------------|
| Between 6 and 12 months old | 50% |
| Between 12 and 24 months old | 75% |
| Over 24 months old | 100% |

REPORT AUTHOR

Michael Buckland, Head of Revenues tel, 01827 709523
e-mail michael-buckland@tamworth.gov.uk

LIST OF BACKGROUND PAPERS

Corporate Credit Policy - effective management of debt

APPENDICES

Appendix A gives details of write offs in respect of Revenues.