

Subject:	Irrecoverable Debt Report	Status:	For Publication
Report to:	Cabinet	Date:	19th March 2014
Report of:	Finance Manager	Portfolio Holder:	Finance and Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Community Impact Assessment:	Required:	Yes /No	Attached: Yes /No
Biodiversity Impact Assessment	Required:	Yes /No	Attached: Yes /No
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1.	RECOMMENDATION(S)
1.1	Members are recommended to approve the write off of £224,404 in respect of irrecoverable Non-Domestic Rate debts.

2. PURPOSE OF REPORT

2.1 The purpose of the report is request member authority to write off bad debts of Council Tax, Non-Domestic Rates (NDR) 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

5.1 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. Appendix 1 shows the debts above the £5k limit delegated to the Head of Finance which now require Member approval for write-off.

5.2 Council Tax

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

5.3 Appendix 1 – Non-Domestic Rates

The sum of £224,404 is regarded as irrecoverable in respect of Non-Domestic Rates due from 7 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. £29,492 will be re-invoiced to landlords as a result of avoidance tactics.

5.4 Sundry Debts

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

5.5 Resources for Write-off

As at 01/04/13 the total bad debt provision was £254k of which £75k specifically related to the balances being written off.

Under the new arrangements of NNDR and Local Government Finances the impact on potential Council resources is estimated to be c. £24k $((224 - 75 - 29) \times 20\%)$

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Financial matters are dealt with in the report. As the accounts attached at Appendix 1 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 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 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