

NORTH SOMERSET COUNCIL DECISION

DECISION OF: EXECUTIVE MEMBER FOR CORPORATE SERVICES
WITH ADVICE FROM: SECTION 151 OFFICER OF THE COUNCIL
DIRECTORATE: CORPORATE SERVICES DIRECTORATE



DECISION NO: 2021/2022 – CSD132

SUBJECT: National Non-Domestic Rates Write Offs >£10,000 – 1/4/2021 to 31/3/2022

KEY DECISION: YES

BACKGROUND:

Prior to the start of each financial year the Council makes arrangements to issue annual demand notices to individuals and **businesses** in respect of their share of liabilities for council tax and **business rates** (more formally known as Nation Non Domestic Rates).

Throughout the year the officers within the revenues service undertake a series of financial administration processes to collect receipts and allocate these to customer accounts as well as to update customer records for a wide variety of reasons, which could include; changes in business circumstances, appeals in rateable value of business premises, awarding of Reliefs or applying notifications from government departments or bodies.

These arrangements also include additional steps taken by the service to follow and apply the Council's Debt Recovery policy and procedures to ensure that any outstanding sums of council tax or business rates are paid to the Council in a timely manner.

Each quarter a detailed review is undertaken by the service to consider and recommend any write-offs that may be required for any council tax or business rate debts. Write-off recommendations are only be made after extensive recovery related actions have been exhausted and the debts have been deemed as unrecoverable.

Once approved, the final stage in the write-offs process will be to update the customer account to reflect the action, this is completed within the NEC system (formally Northgate).

Write-offs included within this decision could relate to the current financial year but are more likely to relate to liabilities raised in a previous financial year, and are grouped into the following categories;

- Bankruptcy, Debt Relief Orders (DRO), Individual Voluntary Arrangement (IVA), Dissolved
- Liable party is Deceased,
- Liable party has Absconded, or
- the debt is uneconomical to collect or prohibited from being recovered.

The Business Rate accounts within this decision are all under £10,000 and have been deemed as unrecoverable as the debt is NNDR accounts have been deemed as the companies / rate payers are subject to Insolvency, Dissolved company proceedings or the company / rate payer has absconded.

DECISION:

To cease recovery actions associated with business rate debts totalling £232,991.61 and to write these sums off as debts within the Council's systems and financial records.

REASONS:

Write-off categories are shown in the financial implications section below.

OPTIONS CONSIDERED:

All tracing and recovery options detailed within the Council's policies have been exhausted.

FINANCIAL IMPLICATIONS:

Net impact of the Decision - £232,991.61

Funding

Council tax and business rate transactions are accounted for within the Collection Fund, which is a separate fund administered by the Council on behalf of all of itself and other major preceptors.

When setting a forecast of its' precept on the Fund for the year ahead the Council makes an estimate of how much income it is likely to collect from customers and how much will remain outstanding and / or provided for or need to be written off each year.

The write-off values included within this decision are within the budgeted parameters approved by Council in February 2021.

LEGAL POWERS AND IMPLICATIONS

The Council's Financial Regulations permit write-off of council tax and business debts to be considered and approved by the Section 151 Officer if the write-off is less than £10,000. Write-offs that are greater than £10,000 require further scrutiny and approval must be obtained by the Executive Member for Corporate Services, which is the case in respect of this Decision.

All steps listed within the Council's Debt Recovery Policy have been followed and exhausted.

CONSULTATION

Accounts have been reviewed by Liberata officers and pursued for recovery without success. The Finance Service have also been consulted to ensure that the proposed write-offs remain within budgeted levels.

RISK MANAGEMENT

The Council's constitution recognises that financial transactions are susceptible to a wide variety of risk, fraud and / or financial and that the Section 151 Officer has the responsibility to put into place a series of frameworks and controls to minimise these and ensure the integrity of the Council's financial viability and standing.

The financial administration and management of council tax and business rates form part of such arrangements – current processes require that the S151 Officer undertake an independent review of all write-offs recommendations submitting for approval by officers

within the Liberata revenues teams which not only provides an additional level of assurance, but it also provides an opportunity to integrate impacts across a range of strategic financial policies and decision-making frameworks.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No N/A The Council's debt recovery policy takes into account equality considerations for all relevant groups and individuals.

CORPORATE IMPLICATIONS

The decision is aligned to all current corporate policy considerations.

BACKGROUND PAPERS

Background documentation to underpin the financial values contained within this decision is held by the Section 151 Officer and the Revenues Service but is not published as it contains personal information.

SIGNATORIES:

DECISION MAKER(S):

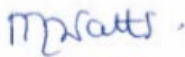


Signed: .

Title: Councillor Ashley Cartman

Date: 24 March 2022

WITH ADVICE FROM:



Signed:

Title: Head of Finance & Deputy S151 Officer

Date: 24 March 2022

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: