

## North Somerset Council Decision



**Decision Of:** EXECUTIVE MEMBER FOR CORPORATE SERVICES

**In Consultation With:** SECTION 151 OFFICER OF THE COUNCIL

**Directorate:** CORPORATE SERVICES DIRECTORATE

**Decision No: 2022/2023 – CSD125**

**Subject: National Non-Domestic Rates Write Offs – 01/4/2022 to 31/3/2023**

**Key Decision: Yes**

**Reason:** The Council's constitution recognises that accounts submitted for write off over £10,000 each in value be reviewed by the Executive Member for Corporate Services in consultation with the Section 151 Officer of the Council.

### **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 business rates (more formally known as National 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 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 business rate debts. Write-off recommendations are only 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 do not relate to the current financial year but relate to liabilities raised in a previous financial year, and are grouped into the following categories;

- Bankruptcy, Dissolved or Company Liquidation
- Liable party has absconded, or
- The debt is uneconomical to collect or prohibited from being recovered.

## Decision:

To cease recovery actions associated with business rate debts totalling £199,354.89 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 - £199,354.89

NATIONAL NON-DOMESTIC RATES							
<b>Decision:</b>	Exec Member & S151 Officer		<b>Key Decision?</b>	Yes, Exec Member		<b>Date:</b>	15-Mar-23
<b>Values:</b>	Over >£10k Threshold						
No. of Accounts	Write-off reconciliation details - NNDR				NNDR Financial Impact		
	Batch	Code	Year	Reason	Liability	Costs	Total
5	2264	511/812	2017-2020	Absconded > £10,000	£ 71,641.74	£ 568.00	£ 72,209.74
4	2266	511/812	2018-2021	Insolvency > £10,000	£ 91,599.84	£ 188.00	£ 91,787.84
1	2270	511/812	2019-2021	Dissolved > £10,000	£ 16,884.26	£ 190.00	£ 17,074.26
1	2282	511/812	2018-2020	Dissolved > £10,000	£ 18,188.05	£ 95.00	£ 18,283.05
					<b>£198,313.89</b>	<b>£ 1,041.00</b>	<b>£199,354.89</b>
						<b>Decision Ref:</b>	<b>CSD125</b>

## Costs:

Net impact of the Decision - £199,354.89

## Funding:

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 2022.

## Legal Powers and Implications:

The Council's Financial Regulations permit write-off of business rates 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.

**Climate Change and Environmental Implications:**

No Climate Change or Environmental Implications.

**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 misuse 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 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? ~~Yes~~ / **No**

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):**

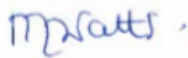


Signed:

Title: Ashley Cartman, Executive Member for Corporate Services

Date: 31 March 2023

**With Advice From:**



Signed:

Title: Melanie Watts, Head of Finance & Deputy S151 Officer

Date: 31 March 2023

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