

NON-DOMESTIC RATES - WRITE OFFS

**FINANCE, MODERNISATION AND PERFORMANCE (CHRIS
WEAVER)**

AGENDA ITEM: 6

Appendices A and B to this report are exempt from publication by virtue of paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972

Reason for this Report

1. The purpose of this report is to obtain formal authorisation to write off Non-Domestic Rate debts which exceed £100,000 in value. This request is made in accordance with Part 3, section 2, of the Cardiff Council Constitution, Executive Decision making function number 20.

Background

2. Cardiff Council has a statutory obligation to levy and collect business rates from all relevant non-domestic properties in its area. There are around 12,500 rating assessments currently shown in the Rating List leading to rate liabilities varying in size from £250 to over £1.75 million per year. All business rate income collected is paid into a National Pool for Wales and redistributed back to local authorities on a per capita basis. This year Cardiff Council is responsible for billing and collecting approximately £200 million worth of business rates and inevitably there are occasions where collection of the full tax is not possible resulting in writing off the outstanding debt. This course of action is taken only after all possible recovery options have been exhausted. These include sending reminders, final notices, and the obtaining of liability orders from the Magistrate's Court, which then entitles the authority to instigate further action such as bankruptcy/liquidation proceedings or the ability to levy distress, (the distraining and selling of taxpayer's goods, the proceeds then being used to offset against the debt).

Issues

3. The confidential appendices detail an account which has an outstanding rate liability in excess of £100,000 and gives a brief history of the case. The liability relates to occupied property rate charges and despite best efforts it is highly unlikely that the outstanding debt will ever be recovered. (If any money is subsequently received the accounts will be adjusted accordingly).

Reason for Recommendation

4. It is recommended that the debts are written off as they are irrecoverable.

Financial Implications

5. Business rates are collected on behalf of the Welsh Government. All collections are pooled and redistributed back to local government on a per capita basis. The cost of all write offs are borne by the pool and not directly by the Council.

Legal Implications (including Equality Impact Assessment where appropriate)

6. Authorisation is required from the Cabinet to write off the debts as they exceed the level that Officers have delegated powers to write off.

RECOMMENDATION

Cabinet are recommended to authorise the write off of debts amounting to £120,586.48.

SENIOR RESPONSIBLE OFFICER	Christine Salter Corporate Director Resources
	14 September 2018

The following confidential appendices are attached:

- Appendix A – Summary of debts to be written off
- Appendix B – Details of the case