

NON-DOMESTIC RATES – WRITE OFFS

**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR
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 13,000 rating assessments currently shown in the Rating List leading to rate liabilities varying in size from £250 to over £2.25 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 £195 million worth of business rates and inevitably there are occasions where collection of the full tax is not possible resulting in the writing off of 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 accounts which have an outstanding rate liability in excess of £100,000 and give a brief background to the cases. The liability relates to occupied/unoccupied rate charges and despite Officer's 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 Recommendations

4. It is recommended that the debt is written off as it is irrecoverable.

Financial Implications

5. Business rates are collected on behalf of the Welsh Government. Collections across Wales are pooled and redistributed to Local Government on a per capita basis as part of Aggregate External Finance. The cost of all write offs are borne by the pool, and not directly by the Council.

Legal Implications

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.

General advice

7. In considering the proposals, the Council must have regard to its public sector equality duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage ('the Socio-Economic Duty' imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers and must be able to demonstrate how it has discharged its duty. An Equalities Impact Assessment should be carried out to identify the equalities implications of the proposed decision, including inequalities arising from socio-economic disadvantage, and due regard should be given to the outcomes of the Equalities Impact Assessment.
8. The Council must also be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards and consider the impact of its proposals upon the Welsh language.
9. The Well-being of Future Generations (Wales) Act 2015 requires the Council to consider how the proposals will contribute towards meeting its well-being objectives (set out in the Corporate Plan). Members must also be satisfied that the proposals comply with the sustainable development

principle, which requires that the needs of the present are met without compromising the ability of future generations to meet their own needs.

HR Implications

10. There are no HR Implications for this report

Property Implications

11. There are no property implications for this report

RECOMMENDATIONS

The Cabinet is recommended to approve authorisation to write off the debts set out in **Appendix A**, amounting to £1,282,187.71

SENIOR RESPONSIBLE OFFICER	CHRISTOPHER LEE Corporate Director Resources
	11 November 2022

The following appendices are attached:

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