

EAST RENFREWSHIRE COUNCILCABINET27 March 2014Report by Director of FinanceWRITE OFF IRRECOVERABLE NON-DOMESTIC RATES AND ARRANGEMENTS FOR
ADMINISTRATION OF NON DOMESTIC RATES**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to write-off as irrecoverable Non-Domestic Rates totalling £199,921.19 and to seek Cabinet approval to continue existing arrangements for non domestic rates to be administered by Renfrewshire Council on behalf of ERC.

RECOMMENDATION

2. The Cabinet notes the report and approves the write-off sum up to the value of £199,921.19 of Non-Domestic Rates without prejudice to subsequent recovery procedure. This sum has already been included within the bad debt provision. It is also recommended that Cabinet approves that existing administration arrangements be continued for a further five years until 31 March 2019.

BACKGROUND

3. The Council debt recovery policy lists situations where write-off debts will be considered when all viable means of collection are exhausted. These include the following:

- Deceased
- Company in receivership
- Company liquidated / sole trader sequestrated
- Ceased trading

REPORT

4. A recent trawl of Non-Domestic Rates accounts shows by reason of write off:

	<u>Number of Businesses</u>	<u>Amount</u>
Deceased	1	£1,891.35
Receivership	3	£5,859.23
Liquidation / Sequestration	18	£188,966.26
Ceased Trading	3	£3,204.35
Total	25	£199,921.19

5. A further summary of Non-Domestic Rates by age of debt to be written-off shows:

Non-Domestic Rates

2008/09	£54,767.56
2009/10	£57,236.33
2010/11	£35,503.73
2011/12	£47,414.28
2012/13	£4,999.29
Total	£199,921.19

6. The amount included for write off reflects the position that no non domestic rate balances were approved for write off during 2012/13. Income from non domestic rates in the current year will exceed £12m and the sum to be written off represents 1.5% of those collections.

7. Non domestic rates have been successfully administered by Renfrewshire Council, on behalf of East Renfrewshire Council since 2005. The current annual fee is £54k and has not increased over recent years. Renfrewshire Council's proposal for the next five years is that the fee will increase on an annual basis in line with staff annual pay awards. Operation of the agreement is monitored through regular meetings of Revenues' staff from both Councils and it has worked well over the past nine years. ERC would be unable to operate at the cost proposed by RC since the required staffing and ICT costs would be considerably in excess of £54k.

RECOMMENDATION

8. The Cabinet notes the report and approves the write-off sum up to the value of £199,921.19 of Non-Domestic Rates without prejudice to subsequent recovery procedure. This sum has already been included within the bad debt provision. It is also recommended that Cabinet approves that existing administration arrangements be continued for a further five years until 31 March 2019.

Further information is available from D Miller, Head of Revenue Services, telephone 0141 577 3203.

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BACKGROUND PAPERS

Non-Domestic Rates system.

KEY WORDS

Write-off, Non-Domestic Rates and irrecoverable