



**Report to: Cabinet**

**Subject National Non-Domestic Rates Write Off**

**Date 5 February 2009**

**Author Head of Corporate Services**

**1. PURPOSE OF REPORT**

Façade System Engineering Ltd has gone into receivership and has no assets to realise. Therefore this report requests the write off of £74,365.94 in respect of National Non-Domestic Rates (NNDR).

**2. BACKGROUND**

The company's liability at Newstead Colliery, Tilford Road started on 1 April 2005 and finished on 2 January 2007.

The company was placed into administration and on 3 January 2007 and a notice of move from administration to dissolution was submitted to the High Court, Chancery Division in Birmingham. The Court case number is 5402 of 2006.

All assets of the company have been realised, therefore, there is no further opportunity of securing the debt against said assets. The administrator's report has been received by the authority confirming this.

Council procedures allow NNDR debts up to £5,000 to be authorised for write off by the Head of Corporate Services and for debts up to £25,000 to be authorised for write off by the Chief Executive. Any debts over £25,000 must be passed to Cabinet for authorisation for write off. These provisions are detailed in the Council's Financial Regulations at 4.23e.

### **3. FINANCIAL IMPLICATIONS**

The following balances are outstanding:-

- Balance outstanding for 2005/06 financial year is £41,834.00
- Balance outstanding for 2006/07 financial year is £32,531.94

The Council holds a provision for write offs as part of its financial management processes, which is reviewed annually. The current bad debt provision balance is £365,925.00 as at 1 April 2008.

So far during the current financial period, £110,894.36 has been written off in respect of National Non-Domestic Rates in relation to all years since 1990 under the delegated arrangements detailed above. The total amount awaiting write off for the current financial period in respect of NNDR relating to all years since 1990 is £209,313.19.

The Council collects NNDR on behalf of the Central Government and therefore any write off amounts and other un-recoverable monies are offset against Gedling Borough Council's contribution to the NNDR pool.

Any balance written off in respect of NNDR has no impact on the General Fund.

### **4. RECOMMENDATIONS**

Recommend that Cabinet write off the balance of £74,365.94 owed by Façade System Engineering Ltd.