



CABINET – 19TH FEBRUARY 2014

SUBJECT: WRITE-OFF OF DEBTS OVER £20,000 – NATIONAL NON-DOMESTIC RATE ARREARS FOR LTD COMPANIES

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 On 15th September 2009, Cabinet approved a revised write-off procedure for debts that are material, where the individual debt is greater than £20,000. Approval is sought to write-off one National Non-Domestic Rate (NNDR) debt where the debt is greater than £20,000.

2. SUMMARY

- 2.1 This report gives details of an amount of business rate that the Authority is required to write off as a bad debt.

3. LINKS TO STRATEGY

- 3.1 To comply with Financial Regulations.

4. THE REPORT

- 4.1 Policy & Resources Scrutiny Committee receives half yearly reports on monies due to the Council which cannot be collected. Unpaid business rate is pursued through a magistrates' court liability order that empowers the Authority to instruct bailiffs.
- 4.2 Due to debtors absconding, declaring themselves insolvent through bankruptcy/liquidation or other proceedings, ceasing to trade, dying with no estate, and because of limited means there are inevitably circumstances when debts cannot be collected. After all legal means have been exhausted a decision is made to write-off debts. Policy and Resources Scrutiny Committee receive a report every 6 months summarising the value of debts written off by the Authority
- 4.3 The case involves Celtic Mineral Recovery (Senghenydd) Ltd, a company that was liable for The Timber Yard, Commercial Street, Senghenydd. The unpaid rates of £24,621.00 are in respect of an unoccupied rate liability (reference no. 510276283), covering the period 1st July 2009 to 16th January 2011 inclusive. The Authority issued rate demands and obtained liability orders in respect of the debt with a bailiff instructed to recover the debt. However, the bailiff was unable to secure payment as the rate liability was in respect of an empty property and the company was not in occupation of any other property, hence there were no goods available on which to levy distress. The company was dissolved on the 26th March 2013; consequently it is no longer possible to undertake any further recovery action.
- 4.4 In this case the Authority has no further legal powers to recover the unpaid debt.

5. EQUALITIES IMPLICATIONS

- 5.1 There are no potential equalities implications of this report and its recommendations on groups or individuals who fall under the categories identified in Section 6 of the Council's Strategic Equality Plan, therefore no Equalities Impact Assessment has been carried out.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications to the Authority as the Authority collects NNDR on behalf of Welsh Government.

7. PERSONNEL IMPLICATIONS

- 7.1 There are none.

8. CONSULTATIONS

- 8.1 There are no consultation responses which have not been reflected in this report.

9. RECOMMENDATIONS

- 9.1 It is recommended that Cabinet determine the debt detailed in para 4.3 be written-off on the grounds that it is irrecoverable.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To write-off a bad debt due to the Authority where no further legal remedy exists.

11. STATUTORY POWER

- 11.1 Local Government Act 1972 and 2000.

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Background Papers:
Contact Council Tax and NNDR Manager (Ext. 3421)