



## CABINET - 10TH DECEMBER 2014

**SUBJECT: WRITE-OFF OF DEBTS OVER £20,000 – NNDR ARREARS FOR LTD COMPANIES**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151 OFFICER**

---

### 1. PURPOSE OF REPORT

- 1.1 On 15<sup>th</sup> 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 three national non-domestic rate (NNDR), also known as business rate, debts where, in each case, the individual 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 This case involves Tyne Investment Two LLP, a company that was the mortgagor of five separate rating assessments at De Clare House, Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly. The unpaid rates of £21,427.89, covering the period 1<sup>st</sup> April 2013 to 11<sup>th</sup> November 2013 inclusive, are in respect of unoccupied rate liability for five rating assessments set out below:

Reference Number	First Line of Address	Unpaid Business Rate (£)
510246998	1 <sup>st</sup> floor suite 1	7,617.22
510322074	1 <sup>st</sup> floor suite 2b	1,566.16

51032201X	1 <sup>st</sup> floor suite 5	3,559.45
510322109	Unit E	5,267.99
510322047	Unit C	3,417.07
	<b>TOTAL UNPAID</b>	<b>21,427.89</b>

Another company was initially held liable for this period and business rate demands were issued in November 2013, followed by statutory reminder notices in January 2014. When magistrates' court summonses were issued in April 2014, the company provided a legal document to show that Tyne Investment Two LLP should be held liable as the offices within De Clare House were an asset of Tyne Investments Two LLP; this company was therefore billed retrospectively. Unfortunately, Tyne Investment Two LLP went into receivership on 11<sup>th</sup> November 2013 and so the Authority has submitted a claim for the outstanding debts to the relevant insolvency practitioner. However, as business rate is an unsecured debt, it is very unlikely that the Authority will receive any payment as a result of the insolvency proceedings.

4.4 In this case, the Authority has no further legal powers to recover the unpaid debts.

## **5. FINANCIAL IMPLICATIONS**

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

## **6. EQUALITIES IMPLICATIONS**

6.1 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.

## **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 debts detailed in paragraph 4.3 be written-off on the grounds that they are irrecoverable.

## **10. REASONS FOR THE RECOMMENDATIONS**

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

## **11. STATUTORY POWER**

11.1 Local Government Act 1972 and 2000.

Author: J. Carpenter, Council Tax & NNDR Manager  
E-mail: [carpewj@caerphilly.gov.uk](mailto:carpewj@caerphilly.gov.uk) Tel: 01443 863421

Consultees: Cllr Barbara Jones, Deputy Leader & Cabinet Member for Corporate Services  
Nicole Scammell, Acting Director of Corporate Services & Section 151 Officer  
Stephen Harris, Interim Head of Corporate Finance  
Gail Williams, Interim Head of Legal Services & Monitoring Officer

Background Papers:  
Contact Council Tax & NNDR Manager (ext 3421)