

EXECUTIVE – 9 MARCH 2016

NON DOMESTIC RATES WRITE OFFS

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

WARDS AFFECTED: ALL WARDS



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

This report seeks approval to write-off debts over £10,000 in respect of outstanding business rates and to provide the details of the sums written off under delegated powers.

2. RECOMMENDATION

The Executive approve the six business rate write offs detailed in part 3.5 of this report.

3. BACKGROUND TO THE REPORT

3.1 Write off limits

The write off limits for Business Rates are contained within the Financial Procedure Rules.

- For debts up to but not exceeding £100 (including aggregated debts for one debtor), the delegated authority rests with the Enforcement Team Leader.
- For debts greater than £100 but not exceeding £1,000 (including aggregated debts for one debtor), the delegated authority rests with the Authority's Partnership Manager.
- For debts greater than £1,000 but not exceeding £10,000 (including aggregated debts for one debtor) (and for all credit balances), the delegated authority rests with the Head of Partnership.
- For debts greater than £10,000 (including aggregated debts for one debtor) the request for write-off must be made in a report to the Executive.

3.2 Writing off debts is only considered where appropriate recovery and enforcement options have been taken, or, where the council are legally prohibited from pursuing the debt.

These include:

- Bankruptcy or a Debt Relief Order is in place
- Deceased – No assets within the estate.
- Debtor Absconded / No Trace
- Company in liquidation/dissolved or ceased trading with no assets
- Severe Hardship and/or Serious health Issues
- Statute barred i.e. we cannot legally pursue the debt as there has been six years since the debt fell due and no action has been taken to collect the debt.
- Uneconomical to collect i.e. it is not financially viable to take further action for example due to the low level of the debt or they have gone abroad.

3.3 In respect of outstanding Business Rates the following action is taken:

- If payment is not received by the instalment due date a reminder notice is issued.

- If payment is received within seven days the tax payer may continue with their original instalment plan. If they default again within the year, then one further reminder notice is issued. If they do not pay, the following steps are taken.
- If payment is not received by the date on the reminder notice, a court Summons is issued. The Summons advises them of the date and time that the council will attend the Magistrates Court in order to apply for a Liability Order.
- Once a Liability Order is obtained, the council has a number of enforcement options available to recover the sum due.

3.4 Options available to recover the Debt

Once a Liability Order has been obtained each debt is reviewed and the most appropriate course of action determined. It is only after all of these have been considered and/or pursued that the debt is put forward for write off.

- Instruct an external enforcement company (bailiffs) to collect the debt on the council's behalf.
- If the bailiff company are unsuccessful, the council could commence committal proceedings against the debtor.
- If the debt is over £750, bankruptcy proceedings could be commenced against the debtor.
- Instigate Insolvency / Winding Up process for limited companies.

3.5 Business Rate Write offs

There are six cases over £10,000 which approval is sought for write off. The businesses concerned are insolvent and are either in liquidation or have ceased trading and a proposal has been lodged with Companies house to strike off. In each of the cases listed below there is no prospect of payment.

Business Type	Address	Date of insolvency/Ceased Trading etc.	Amount to be Written Off
Sole trader	Desford	Hardship – customer is living in rented property living on pension and has an ongoing illness.	£13,063.18
Limited company	Hinckley	9 June 2015 – company in Administration	£10,029.85
Limited company	Hinckley	2 May 2014 - company in liquidation. Several assessments	£28,325.75
Limited company	Hinckley	29 September 2015 – company dissolved	£18,557.67
Limited company	Hinckley	16 April 2015 – company in liquidation	£22,559.16
Sole trader	Hinckley	October 2013 – LPA Receiver appointed	£12,508.86

4. FINANCIAL IMPLICATIONS (IB)

Contained within the body of the report.

5. LEGAL IMPLICATIONS (MR)

Set out in the report

6. CORPORATE PLAN IMPLICATIONS

This report supports the Corporate Plan objective for supporting individuals.

7. CONSULTATION

None.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

There are no implications as the decision to write-off is debt is dealt with consistently and in accordance with adopted policies and procedures across the Borough.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: None

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