



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Council

6 September 2022

Wards affected:

All

Business Rates Write off

Report of Head of Finance

1. Purpose of report

- 1.1 To seek approval of members to write off business rates of £1,388,499 in accordance with approval procedures.

2. Recommendation

- 2.1 That the following amounts in the table below are approved for write off by the Council:

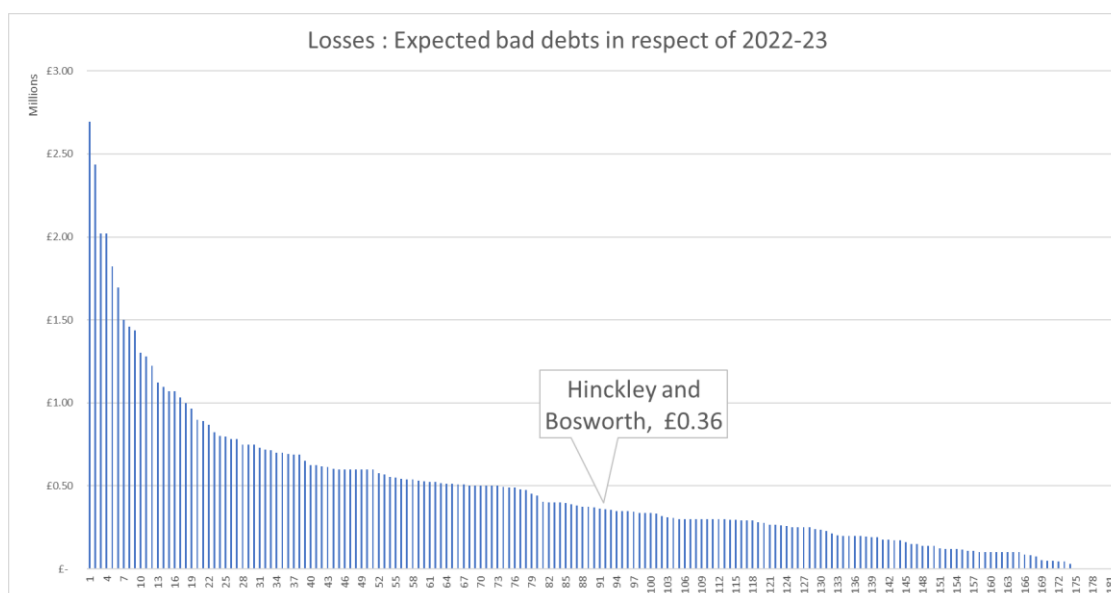
Total Business Rates write off for customer	£1,017,512.33	£90,479.60	£138,781.53	£141,725.81
Business	A	B	C	D
Reason	Company entered CVA as insolvent	Voluntary Liquidation	Ceased trading and dissolved at Companies House.	Administration then Liquidation.
Financial Years covered	2020/21	2019/20 - 2021/22	2020/21	2018/19- 2020/21
Recovery actions	Reminders used Insolvent before summons actioned	Reminders, then summons	S Reminders, then summons	Reminders, then summons

3. Background

- 3.1 The Business rates of £1,388,499.27 noted in the table at 2.1 above are no longer recoverable and need to be written off. The pandemic has had a significant effect on businesses, and some have not been able to recover, which has led to an increase in business failure. These amounts have already been accounted for in the financial statements and budget, with provisions made for 2021/22, so will not change the current budgeted position. Our share of the write off is £555,400. In all cases legal action was taken in an attempt to collect the amount outstanding, and recovery procedures have been exhausted. The Constitution require Council to approve the write ff of debts over £50,000.

4 Implications

- 4.1 For the 2021/22 year the budget had allowed for business rates growth of £1.7m mainly due to expectation of businesses becoming occupied and VOA valuation leading to them becoming rateable during 2021/22, the actual growth was closer to £2.5m. This meant that the loss to us of £0.56m was covered by this higher level of growth and prevented the impact of the lost rates falling on the general fund. Without this higher growth the business rates equalization reserve would have been used to offset the impact on the general fund. The balance on this reserve is £2,361,000.
- 4.2 National comparisons on bad debt incurred for 2021/22 are not yet available, and 2021/22 was a higher-than-average year for write off for the council. However, looking at the available estimate for 2022/23 HBBC are not an outlier when comparing expected losses for 2022/23 by district councils as indicated by the graph below.



5. Financial implications [IB]

- 5.1 Contained in the body of the report

6. Legal implications [MR]

- 6.1 Section 25 of the Local Government Act (2003) requires the Section 151 officer to report on the robustness of the estimates made within the budget and the adequacy of the financial reserves.

7. Corporate Plan implications

- 7.1 A robust General Fund Budget is required to ensure that resources are effectively allocated to ensure delivery of all of the aims, outcomes and targets included in the Council's Corporate Plan.

8. Consultation

- 8.1 None

9. Risk implications

- 9.1 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 the 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 have been identified, assessed and that controls are in place to manage them effectively.

No significant risks are associated with this report.

10. Knowing your community – equality and rural implications

- 10.1 There are no direct implications arising from this report

11. Climate implications

- 11.1 There are no direct implications arising from this report. However financial planning is a key tool for delivering the corporate priorities of the Council. Included in those priorities are the Climate change considerations for services. The budget decisions made by members in relation to issues such as Council tax, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
 - Environmental implications
 - ICT implications

- Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector
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Background papers: None

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