

FLINTSHIRE COUNTY COUNCIL
MINUTES OF AN INDIVIDUAL CABINET MEMBER DECISION MAKING
MEETING HELD BY TELECONFERENCE ON TUESDAY 21 APRIL 2020

PARTICIPANTS: Councillor Billy Mullin, Cabinet Member for Corporate Management & Assets, advised by Chief Executive, Chief Officer (Governance), Corporate Finance Manager and Revenues Manager.

IN ATTENDANCE: Head of Democratic Services

1. DECLARATIONS OF INTEREST

The Cabinet Member confirmed that, under the Councillors' Code of Conduct, he did not have an interest in the report.

2. BUSINESS RATES – WRITE OFFS

The Chief Executive explained that this was the first Flintshire Individual Cabinet Member virtual meeting and invited the Chief Officer (Governance) to outline the procedure.

The Chief Officer (Governance) gave details of the procedure and the arrangements for ensuring consultation and transparency. The reason that an Individual Cabinet Member decision was required was because of the emergency situation.

In normal circumstances, individual bad debts in excess of £25,000 require Cabinet approval of officer recommendations to write off debts. This was in line with the Council's Financial Procedure Rules.

A Business Rate debt of £80,128 for Monsoon Accessorize Ltd, for their premises at Unit 14A Broughton Shopping Park, Broughton was deemed irrecoverable as the company had entered into a Company Voluntary Arrangement (CVA) with creditors in July 2019.

It was explained in the report that CVAs were intended to be used by companies as a means of restructuring their business to avoid entering into liquidation and ceasing to trade. A CVA was a legally binding agreement with creditors to allow a proportion of the company debts to be paid back over time. To pass the CVA, 75% of the creditors, by monetary value, must support the proposal.

The Chief Officer (Governance) confirmed that the Head of Democratic Services had specifically consulted the Chair of the relevant Overview & Scrutiny Committee on the issue. Councillor Clive Carver, as Chair of the Corporate Resources Overview & Scrutiny Committee had responded as follows:

'Since Monsoon Accessorize Ltd has entered into a CVA with its creditors and in accordance with that agreement Flintshire County Council has secured repayment of £37,696 out of the £117,824 owing. The Council is not able in law to take debt enforcement action to recover the outstanding debt of £80,128, the only option therefore is to write this debt off.

To my knowledge, due to the CVA, any attempt by the Council to recover further payment would be futile and at the Council's cost.

I note that this outstanding debt does not directly affect the Council, since the Council only act as agent to the Welsh Government for collection, however this will leave the Welsh Government's National Collection Pool short by that amount.

Therefore, in the circumstances, I have no objection to the proposal to write down the outstanding £80,128.'

The Revenues Manager indicated that since the report had been drafted, as a result of Welsh Government announcements on the emergency rate relief schemes for retailers, leisure and hospitality sectors, Monsoon Accessorize now qualified for 100% Rate Relief during 2020/21. This relief equated to £119,840. The cost of awarding rate relief for 2020/21 would be met in full by Welsh Government.

The Corporate Finance Manager agreed that the writing off of the debt presented no financial risk to the Council.

The Cabinet Member thanked the officers for their input and indicated that he agreed that the write off of £80,128 for the Business Rate debt relating to Monsoon Accessorize Ltd should be approved.

RESOLVED:

That the write off of £80,128 for the Business Rate debt relating to Monsoon Accessorize Ltd be approved.

3. DURATION OF MEETING

The meeting commenced at 2.01pm and ended at 2.12pm.

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Chairman