

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 19 MARCH 2013**

REPORT BY: **HEAD OF FINANCE**

SUBJECT: **BUSINESS RATES - WRITE OFF**

1.00 PURPOSE OF REPORT

1.01 To request authorisation to write off a single business rates debt amounting to £25,301.50.

2.00 BACKGROUND

2.01 Financial Procedure Rules (section 9.6c) requires that debts in excess of £25,000 being considered for write off are referred to cabinet for consideration and approval.

3.00 CONSIDERATIONS

3.01 The consideration to write off debts is never taken lightly and is only ever recommended after all recovery options have either been exhausted or no longer possible.

3.02 The write off in this case relates to All Roads Transport Ltd, a company who traded from Unit 1, Links Commerce Park, Factory Road, Pentre. The company was first incorporated in August 2010 and was involved in the transportation of freight.

3.03 In an attempt to secure payment of business rates, the Council were left with no alternative but to take legal action through the Magistrates Court in early December 2012, however around the same time, the Directors of the company sought professional advice about the financial viability of the company and liquidators were appointed on 17th December 2012 following a meeting of creditors.

3.04 The liquidators have confirmed that company overheads together with a reduction in work were the principal reasons for the company falling into financial difficulties, however the Directors remained confident that the company was viable, and would, with time, be able to obtain larger, more lucrative contracts. Despite this, by the autumn of 2012 the company could no longer sustain the combination of reduced sales and cash flow issues and would have to cease trading.

3.05 As an unsecured creditor, the Council has lodged a claim to the liquidators, Bridgestones, in respect of unpaid business rates. However, given that the company does not hold any tangible assets, there is no prospect of a dividend being paid to the Council in the future.

4.00 RECOMMENDATIONS

4.01 That Cabinet approves the write off of this debt, amounting to £25,301.50 and relating to business rate charges for the period between the 1st April 2010 to 30th September 2011.

5.00 FINANCIAL IMPLICATIONS

5.01 There are no direct financial implications to the Council or to local taxpayers in relation to the write off of bad debts for business rates since the Council collects business rates on behalf of the Welsh Government through the National Collection Pool for Wales.

5.02 There are financial provisions made within the Collection Pool for the write off of bad debts and this case will offset to the Collection Pool.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 None.

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Financial Procedure Rules (section 9.6c)

Notification of Liquidation and Meeting of Creditors on 17/12/2012 –
dated 3rd January 2013

Contact Officer: David Barnes, Revenues Manager
Telephone: 01352 703652
Email: david_barnes@flintshire.gov.uk