

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 18 NOVEMBER 2014**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **BUSINESS RATE DEBT - WRITE OFF**

1.00 PURPOSE OF REPORT

- 1.01 To seek approval to write off a single business rate debt amounting to £31,979.31

2.00 BACKGROUND

- 2.01 Financial Procedure Rules (section 9.5c) requires that any debts in excess of £25,000 being considered for write off are referred to cabinet for approval.

3.00 CONSIDERATIONS

- 3.01 The recommendation to write off debt is only ever put forward after all recovery options have been taken or are no longer possible because a company is no longer trading.
- 3.02 The write off relates to business rate charges for a company registered under the name of Mantol Ltd, who previously traded from Units 20, 21 and 22, Manor Park Industrial Estate, Flint over a four year period between April 2009 and December 2013. The company also operated from premises at Unit 17, Manor Estate for a short period during 2011.
- 3.03 During the initial two year trading period from 2009 to 2011, it was necessary for the Council to take legal action in the Magistrates Court on two separate occasions to secure payment from Mantol Ltd. Although the actions proved very positive as the company eventually met their payment obligations for business rates in full by making regular repayments whereby the Council recovered balances totalling £31,000
- 3.04 During the financial year 2011-12, the Council found it necessary again to take further legal action in the Magistrates Court to secure payment from Mantol Ltd. This time, the Council was partly successful in recovering nearly £9,000 of a £15,500 debt for 2011-12, however during the latter end of the year Directors of Mantol had started to

seriously default with their repayments again and the company was getting into serious financial difficulty.

- 3.05 The Council was therefore left with no other option but to instruct bailiffs in the autumn of 2011 to recover the outstanding payments from Mantol and the action was partly successful in recovering some of the monies outstanding.
- 3.06 During the course of 2012-13 and 2013-14, the Council took steps once again to secure Liability Orders for outstanding business rates and court orders were again referred to bailiffs acting on behalf of the Council. Unfortunately, on these occasions, the actions taken by the Council did not lead to any repayments by Mantol, who had by this point effectively ceased trading from some of the units, apart using the units to store low value goods.
- 3.07 On most occasions when bailiffs attended at the premises during the course of 2012 to 2013, the units were typically closed and there was no sign of trading activity being undertaken from the premises.
- 3.08 In December 2013, landlords eventually took back possession of the units from Mantol and there were proposals being considered by some creditors to dissolve the company which had effectively already stopped trading.
- 3.09 On the 11th March 2014, the company was formally dissolved with Companies House without the appointment of a liquidator.
- 3.10 Given that Mantol Ltd has now been dissolved, there is no prospect whatsoever of the Council recovering the residual business rates outstanding of £31,979.31 up to the period that the commercial landlords took back possession of the units.

4.00 RECOMMENDATIONS

- 4.01 That cabinet approves the write off of this debt, amounting to £31,979.31 which relates to residual business rate charges for the period between 2011-12 and 2013-14.

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 Welsh Government through the operation of a National Collection Pool for Wales.
- 5.02 As the Collection Pool is supported by the UK Government, losses in business rates, does inevitably mean that there is a wider financial loss to the UK taxpayer.

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 9.5c)
Local Government Finance Act 1988 (as amended)
Companies House Register – Dissolution of Mantol Ltd (Registered
Company No 05614575)

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