

Supplementary information for item 10 – Business Planning 2015/16 – 2019/20

Business Rate Write Off

1. The committee may wish to note that the information below supports paragraph 1.6.10 and appendix D relating to business rate write offs.
2. All the debts are in respect of closed accounts. The breakdown of the reasons for the write off is shown below.

Reason	Total £	Financial year debt raised	Recovery Costs £	Debt £	Total £
In Administration	144,885.22				
Dissolved **	2,403,801.59				
Corporate/Individual Voluntary Arrangements	136,890.62				
Liquidation	455,519.07				
Absconded	244,960.96				
Bankrupt	11,500.00				
Uncollectable	118,908.47				
Grand Total	£3,516,465.93				
		2003/4		3,490.00	3,490.00
		2004/5		2,361.21	2,361.21
		2005/6	167.00	1,055.00	1,222.00
		2006/7		1,082.50	1,082.50
		2007/8	170.00	3,876.47	4,046.47
		2008/9	1,491.50	35,847.97	37,339.47
		2009/10	510.00	78,271.35	78,781.35
		2010/11	1,991.00	98,537.58	100,528.58
		2011/12	5,145.00	905,860.54	911,005.54
		2012/13	2,890.00	1,062,894.02	1,065,784.02
		2013/14	3,950.00	924,221.76	928,171.76
		2014/15	1,570.00	381,083.03	382,653.03
		Grand Total	£17,884.50	£3,498,581.43	£3,516,465.93

** £1,367,208.69 for one company.

3. Attempts to trace absconded debtors include searches of internal systems, credit reference agencies, enquiries with owners, agents and new occupants of the relevant properties and visits by our inspectors and Enforcement agents. In respect of many of the debts being written off, the company is no longer trading and has been dissolved, or liquidated. Proof of debts forms will have been submitted but with a very low yield anticipated it is prudent to treat the whole balance as irrecoverable and write off the debt.

Having regard to cost effectiveness, the extent of tracing activity will correspond to the amount of individual debts and with a greater emphasis on checks made in respect of larger debts.

It should be noted that if an absconder is subsequently located following a write off then the debt can be re-raised and attempts made to recover it, subject to statutory limitation periods and it being economical to do so. Additionally if a dividend is received from the liquidator, then the write off can be adjusted accordingly.

The amounts being written off will be offset against the provision for bad and doubtful debts, included in the council's accounts.