

Business Rates write offs - Details**Background**

The Finance Report recommends approval from Cabinet to write off business rates where recovery action cannot continue, for example because of insolvency action. The balances outstanding have to be accounted for in the bad debt provision and on statutory returns to Welsh Government. It is important to note that as the Business Rates income is passed over to the National Pool any bad debts costs are met by the pool, as such there is no cost to the council.

The council's financial regulations require that cabinet approval is sought to write-off debt in excess of £20k in any one financial year.

Denbighshire County Council (DCC) is required by legislation to administer and collect Business Rates on behalf of the Welsh Government. An annual bill is issued providing businesses 10 monthly instalments in which to pay. Failure to make payment will result in the issue of reminders, final notices and summonses to attend Magistrates' Court.

At the Magistrates court DCC asked for and was granted a liability order in the case below. The liability order provides Denbighshire the authority to take more rigorous recovery action. The day following the granting of a liability all accounts are issued to the Enforcement Agent for collection.

The case requiring write-off relates to Saturn Trading Ltd, which traded under the title of Store 21 at The White Rose Centre, Rhyl. The company which had shops across the United Kingdom suffered a significant downturn in trade, which triggered it going into a Company Voluntary Arrangement (CVA) on 4th June 2018. Unfortunately the trading position did not improve and the company received a winding up order on 6th February 2019. It has subsequently been put into liquidation on 10th May 2019. There were outstanding liabilities to unsecured creditors (including the council) but ultimately no dividends were paid.

The amounts to be written-off are noted below:

2017/18	£22,075.90
2018/19	£13,215.02