

Summary of Business Rate Write-offs

The report is to seek approval from Cabinet to write off business rates for companies and individuals where recovery action cannot continue because they have either been subject to insolvency action or have absconded. The balances outstanding have for some time had to be accounted for in the bad debt provision and on statutory returns to Welsh Government.

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 liability orders in the cases 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 unless the business had made a prior arrangement and is paying.

As the Business Rates income is passed over to the National Pool any bad debts are met by the pool, as such there is no cost to DCC

The first case 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 get better 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 significant outstanding liabilities (£1.7m) to unsecured creditors and no assets to make any payments against these debts. Because of this all unsecured creditors, including DCC have been advised no dividend payment would be made.

The shop in the White Rose centre has now been taken on by a new company.

Appendix X

The second case relates to KJ Storage Solutions Ltd, Marsh Road, Rhuddlan. The company here traded as a self-service storage facility, however despite all efforts from us and other creditors in pursuing the debts, very few payments were ever made. The account was subject to all of the recovery methods and also extended telephone debt calling but this resulted in only £500 being paid.

The Company petitioned to be struck off on 10th April 2018 and whilst DCC objected it only delayed the inevitable and the company was formally wound up by the Insolvency service on 6th November 2018. There were no assets available to creditors and as such the debt is irrecoverable.

Table 1: Summary of write offs

Company name	Financial Year	Amount
Saturn Trading Ltd	2017/18	£22,075.90
	2018/19	£13,215.02
KJ Storage Solutions Ltd	2015/16	£7,282.00
	2016/17	£7,846.00
	2017/18	£6,908.35
Total		£57,327.27