



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Non-key Decision

Councillor Adam Stokes

Cabinet Member for Finance and Resources

Authorisation to write off £74,378.14 in uncollectable non-domestic rates

Report Author

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Approved for publication:

Councillor Adam Stokes, Cabinet Member for Finance and Resources

10 March 2020

Recommendation (s) to the decision maker (s)

1. It is recommended that the sums contained within this report are written off as uncollectable in accordance with the Council's Financial Regulations.

1 The Purpose of the Report

- 1.1 To seek approval to write off uncollectable non-domestic rates detailed within this report in accordance with the Council's Financial Regulations.

2 Reasons for the Recommendation (s)

- 2.1 The sums, detailed below, have become irrecoverable.

- 2.2 Amount: £28,639.18
Address: 26/27 Isaac Newton Centre
Grantham
Lincolnshire
NG31 6EE

On 11 June 2019 the company entered into a Corporate Voluntary Arrangement (CVA) which had been approved by the requisite 75% of its creditors. The effect of the CVA is to render the debt irrecoverable.

- Amount: £45,738.96
Address: Offices and Premises
Harlaxton Road
Grantham
Lincolnshire
NG31 7SB

The sum in question represents 50% of the non-domestic rates due. Due to legal complexities, the Council took specialist legal advice, as a result of which the Council agreed to accept 50% of the liability (which has been paid). The Council could have attempted High Court debt recovery action for the full amount, but would have been at risk of a substantial costs order should recovery of the full amount have been unsuccessful. The debt detailed here is therefore the remaining 50%.

3 Financial Implications

- 3.1 The report confirms that all attempts have been made to recover the outstanding sums and there is no alternative but to recommend the first debt is written off and in respect of the second, the Council has followed legal advice. From a financing perspective and due to the funding mechanism of the business rates, 40% of the debt will be met by the Council with the remaining 60% shared between the Government and Lincolnshire County Council on a 50:10 basis.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

4 Legal and Governance Implications

- 4.1 In respect of the first debt, the Council would stand no reasonable chance of recovering its debt. In respect of the second debt, the Council has taken independent legal advice from a barrister, and the write off is recommended due to the legal risks of litigation. Both write offs are therefore justified in legal terms.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

5 Equality and Safeguarding implications

5.1 None

6 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

6.1 Nothing identified when preparing this report.

7 Appendices

7.1 None

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| Report Timeline: | Date decision due to be made | 17 March 2020 |
| | Call-in deadline | 25 March 2020 |
| | Date decision effective (subject to call-in) | 26 March 2020 |