

POLICY AND RESOURCES

17th February 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Irrecoverable Business Rates

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Head of Revenues and Benefits
Lead Officer and Report Author	Stephen McGinnes, Head of Revenues and Benefits
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. That the irrecoverable business rates listed within Appendix A are approved for write off.

This report relates to the following corporate priorities:

The correct classification of irrecoverable debt supports the effective financial management of the council enabling it to progress its priorities.

- Keeping Maidstone Borough an attractive place for all
- Securing a successful economy for Maidstone Borough

Timetable

Meeting	Date
Policy and Resources Committee	17 th February 2016

Irrecoverable Business Rates

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To seek approval to write of 13 irrecoverable business rates debts to the value of £460,022.

2. INTRODUCTION AND BACKGROUND

- 2.1 The council collects business rates amounting to £58.8 million from 4746 rate payers, with an average collection rate of 97.68%.
- 2.2 Where the council is unable to collect the business rates that are payable, it takes a robust approach to recovery. This involves progressive action which would typically include;
 - Reminder for non payment
 - Final Notice for non payment
 - Summons for non payment
 - Application to the Magistrates Court for a liability order
 - Instruction of a Bailiff to recover
 - Bankruptcy or Liquidation, where appropriate
 - Proceedings to seek committal to prison (individuals)
- 2.3 Throughout the collection process the council actively encourages contact from any business experiencing difficulty in order to negotiate arrangement for payment.
- 2.4 The council has exhausted all recovery processes in trying to collect the unpaid business rates from the 13 businesses identified within appendix A, with no prospect of recovering the £460,022 arrears.
- 2.5 Please note that within Appendix A information relating to individuals which is protected through the Data Protection Act has been redacted.

3. AVAILABLE OPTIONS

- 3.1 Whilst the council can continue to hold the debt as outstanding, it has no prospect of recovery and this will therefore distort the true financial position.
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4. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The correct classification of irrecoverable debt supports the effective financial management of the council enabling it to progress its priorities.	Head of Revenues and Benefits
Risk Management	No impact.	Head of Revenues and Benefits
Financial	The Council maintains a provision for bad debts, however the extent to which the provision is used is linked to the level of arrears at the end of the financial year. There is sufficient resource available from the provision and the in-year budget for non-collection to cover the value of write off proposed.	Head of Finance & Resources]
Staffing	No impact.	Head of Revenues and Benefits
Legal	No impact.	Head of Revenues and Benefits
Equality Impact Needs Assessment	No impact.	Head of Revenues and Benefits
Environmental/Sustainable Development	No impact.	Head of Revenues and Benefits
Community Safety	No impact.	Head of Revenues and Benefits
Human Rights Act	No impact.	Head of Revenues and Benefits
Procurement	No impact.	Head of Revenues and Benefits
Asset Management	No impact.	Head of Revenues and Benefits

5. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Irrecoverable Business Rates
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6. BACKGROUND PAPERS

None