

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>16 June 2021</b>
<b>Subject:</b>	<b>Business Rates – Request for Write-off Approval over £100K</b>		
<b>Report of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Alison Bell, Intelligent Client Officer, Revenues &amp; Benefits</b>		
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<b>Appendices:</b>	<b>None</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To seek the approval of the Cabinet to write off a non-domestic rates debt in excess of £100k.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the non-domestic rates amount in paragraph 4 be written off.

### 3.0 Background and Key Issues

- 3.1 Business Rates, or National Non-Domestic Rates, are how businesses and others who occupy non-domestic property contribute towards the cost of local services, for example, the police and fire services. Other services such as education and housing are of indirect benefit to business ratepayers.
- 3.2 Business Rates are usually payable by the occupier of a non-domestic property. This will normally be the owner-occupier or the leaseholder. If a property is empty, the owner or leaseholder pays.
- 3.3 Under the Business Rates Retention Arrangements introduced from 1<sup>st</sup> April 2013, local authorities keep a proportion of the Business Rates paid locally. This provides a direct financial incentive for authorities to work with local business to create a favourable environment for growth.
- 3.4 In 2019/20 the amount of business rates billed for City premises was £55.6m, a rise on the 2018/19 amount which was £55m, this was collected on behalf of the City, Gloucestershire County Council and Central Government.

3.5 The council pursue all opportunities to collect any outstanding debt prior to recommending write off.

## 4.0 Progress

4.1 Pan Medical Ltd Unit D, Brighthouse Court, 5 Barnett Way, Barnwood, Gloucester

Reference	Period	Charge	Costs	Balance outstanding
0600401341	01/04/2016 to 19/10/2020	£136,556.61	60.00	£119,769.61
<b>Total</b>				<b>£119,769.61</b>

4.2 The property address is void since December 2016 and liability has accrued due to occupation under a lease. The debt is subject to liability orders giving additional powers to recover the arrears; collection using enforcement agents has proven unsuccessful. In 2020 instructions were given to commence winding up action but current restrictions introduced due to coronavirus limits the circumstances in which the council can proceed. Companies House shows the company status 'Active proposal to strike off' with the last accounts made up to 31 December 2014. The notification to wind up the company has triggered no engagement or payment from the ratepayer with liability ceasing October 2020. We believe there is little prospect to recover the arrears.

**PAN MEDICAL LIMITED**  
Company number SC114395

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Registered office address  
**BLUE SQUARE HOUSE, 272 Bath Street, Glasgow, G2 4JR**

Company status  
**Active** — Active proposal to strike off

Company type  
**Private limited Company**

Incorporated on  
**9 November 1988**

**Accounts overdue**  
Next accounts made up to **31 December 2015**  
due by **30 September 2016**  
Last accounts made up to **31 December 2014**

**Confirmation statement overdue**  
First statement date **31 March 2017**  
due by **14 April 2017**

**Annual return**  
Last annual return made up to **31 March 2016**

## 5.0 Environmental Implications

5.1 N/A

## **6.0 Alternative Options Considered**

- 6.1 To leave the non-domestic rate debt as outstanding, though it is highly unlikely to be recovered given that the company have entered into a voluntary agreement to repay a portion of the debt.

## **7.0 Reasons for Recommendations**

- 7.1 All powers to recover the debt have been exhausted. Threats to wind the company up has triggered no payment or engagement from the business.

## **8.0 Future Work and Conclusions**

- 8.1 If there are increased payments received then the debt will be reinstated and any payments offset against this

## **9.0 Financial Implications**

- 9.1 The City Council's constitution requires that debt in excess off £100k is approved for write off by Cabinet.
- 9.2 The Council have a bad debt provision, this debt will be covered within that provision. There are no further financial implications to the Council as a result of this write off.

## **10.0 Legal Implications**

- 10.1 Section 151 of the Local Government Act 1972 requires every local council to arrange for the proper administration of their financial affairs.  
The Council is entitled to write off debts as and when it considers it appropriate after having exhausted all available options.

## **11.0 Risk & Opportunity Management Implications**

- 11.1 The debts recommended for write-off within this report can be charged to a specific provision established for this purpose. There is, therefore, minimal financial risk to the authority.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

- 12.1 N/A

## **13.0 Community Safety Implications**

- 13.1 N/A

## **14.0 Staffing & Trade Union Implications**

14.1 N/A

**Background Documents:** None