
REPORT TO THE MEETING OF THE EXECUTIVE 22 July 2021**PORTFOLIO: FINANCIAL SERVICES****REPORT FROM: ASSISTANT DIRECTOR, RESOURCES****SUBJECT: BUSINESS RATES WRITE OFF****1 DECISION BEING RECOMMENDED**

- 1.1 That the sum of £26,838.50 in respect of Business Rates owed by Bounce Village Limited in respect of 12A Purdeys Way, Rochford is written off.

2 REASON/S FOR RECOMMENDATION

- 2.1 Bounce Village Limited occupied the premises between 27 July 2015 and 1 April 2019.
- 2.2 Business rates were not paid on a regular basis as required and as a result recovery action was taken against the company. A Liability Order was obtained from the Magistrates Court to secure collection of the debt. The company agreed a payment arrangement to clear the outstanding business rates, but this was not maintained. The Council exhausted all usual permitted method of recovery without success including bailiff action.
- 2.3 Rochford District Council therefore issued a statutory demand against the company in February 2019 with a view to instigating insolvency proceedings. A payment of £4,000 was received on 19 March 2019 but no further payments were forthcoming.
- 2.4 As a result of the statutory demand the company sought advice from an insolvency practitioner. A meeting of creditors was arranged, but due to a dispute between the directors the insolvency practitioner advised the company not to proceed with the insolvency.
- 2.5 It was then established that HM Revenue & Customs had instigated separate insolvency proceedings against the company. The Council has therefore submitted a claim for the outstanding business rates in these proceedings.
- 2.6 The Council ranks as an unsecured creditor in respect of its claim for business rates. In the event that a dividend should become payable in this case the appropriate sum would be reinstated.

3 RESOURCE IMPLICATIONS

- 3.1 With regard to the proposed Business Rates write off, the Council's share will be 40% which equates to £10,735.40. However, this has been provided for within the Council's bad debt provision as part of the collection fund in the

2020/21 accounts. There will therefore be no direct impact on the general fund position for 2021/22.

4 LEGAL IMPLICATIONS

4.1 None arising out of this report

LT Lead Officer Signature: _____



Assistant Director, Resources

Background Papers:-

None.

For further information please contact: Claire Malcolm (Recovery & Enforcement Officer):-

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If you would like this report in large print, Braille or another language please contact 01702 318111.