



# COTSWOLD DISTRICT COUNCIL

16<sup>TH</sup> JUNE 2016

## CABINET

### AGENDA ITEM (8)

#### WRITE-OFFS IN EXCESS OF £5,000

<b>Accountable Member</b>	Councillor Lynden Stowe Leader of the Council
<b>Accountable Officer</b>	Jon Dearing Group Manager 01285 623304 jon.dearing@cotswold.gov.uk
<b>Purpose of Report</b>	To seek approval for writing off four National Non-Domestic Rate debts and one Housing Benefit overpayment in excess of £5,000 where the defaulters have absconded
<b>Recommendation</b>	<b>That the write-off of four National Non-Domestic Rate debts, and one Housing Benefit overpayment, each in excess of £5,000, be approved.</b>
<b>Reason for Recommendation</b>	Despite various actions being taken, we have been unable to recover the debts.
<b>Ward(s) Affected</b>	Not applicable
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	No
<b>Financial Implications</b>	<p>The total financial impact to the collection fund is £5,652.90 in respect of Italia Cuisines Ltd debt; and £31,602.94 in respect of the debt incurred by Canberra 134 Limited. The total financial impact on the Council is £14,902.33, this being 40% of the debts outstanding.</p> <p>The financial impact in respect of the Housing Benefit overpayment is £6,210.99, less the 40% subsidy the overpayments have attracted in a sum of £2,484.39, so the total loss in this regard is £3,726.60</p>
<b>Legal and Human Rights Implications</b>	None
<b>Environmental and Sustainability Implications</b>	None

<b>Human Resource Implications</b>	None
<b>Key Risks</b>	None
<b>Equalities Analysis</b>	Not applicable
<b>Related Decisions</b>	None
<b>Background Documents</b>	None
<b>Appendices</b>	None

<b>Performance Management Follow Up</b>	To implement the Cabinet's decisions; the Revenues and Housing Support Service will closely monitor the number and financial level of sanctions
<b>Options for Joint Working</b>	The responsibility for ensuring the Sanction Policy is adhered to sits within the Revenues and Housing Support Service, which is already a shared service, and in consultation with Legal Services. Key Officers from both sites will have responsibility in ensuring sanctions are applied correctly, and in accordance with the appropriate legislative guidance

### **Background Information**

#### **1. Italia Cuisines Ltd. - Account 750014243X**

1.1 Mr. Grossi telephoned the Business Rate office on 27<sup>th</sup> April 2015 and stated that Italia Cuisines Ltd. was now the occupier of 29 Sheep Street, Cirencester, having taken over occupancy on 14<sup>th</sup> April 2015. A bill for Business Rates for the period 14<sup>th</sup> April 2015 to 31<sup>st</sup> March 2016, amounting to £12,006.10 was issued to Italia Cuisines Ltd. on 27<sup>th</sup> April 2015 with the first instalment being due on 3<sup>rd</sup> June 2015.

1.2 No payments were received and a Reminder was issued on 22<sup>nd</sup> June 2015, followed by a Final Notice on 20<sup>th</sup> July and a Summons on 21<sup>st</sup> August. A Liability Order was granted to the Council at Cheltenham Magistrates' Court on 22<sup>nd</sup> September for £12,006.10.

1.3 A Notification of Hearing was issued on 23<sup>rd</sup> September 2015.

1.4 As there was no communication from Italia Cuisines Ltd., nor payments, the Liability Order was forwarded to the Council's Enforcement Agents on 13<sup>th</sup> October 2015.

1.5 On 1<sup>st</sup> March 2016, the Enforcement Agents returned the account to the Council as they had concluded that Italia Cuisines Ltd. had vacated 29 Sheep Street, Cirencester on 25<sup>th</sup> September 2015 and that the property was now occupied by another business.

1.6 The account was therefore closed from 24<sup>th</sup> September 2015, and the balance was recalculated. For the period 14<sup>th</sup> April to 24<sup>th</sup> September 2015, the balance outstanding is £5,652.90, including costs.

1.8 However, we will continue to try to trace the debtor and will write the debt back on to the system for recovery if we are successful.

2. Canberra 134 Ltd. - Account 7500128545

2.1 Canberra 134 Ltd became liable for C1 East (Unit 2) Kemble Airfield, Kemble from 14<sup>th</sup> January 2014. A bill for Business Rates for the period of 14<sup>th</sup> January to 31<sup>st</sup> March 2014 amounting to £1,883.87 was issued to Canberra 134 Ltd on 20<sup>th</sup> February. On 26<sup>th</sup> February, the amount of £1,883.87 was received in full payment.

2.2 A new bill for the financial year 2014/15 for £11,361.51 was issued on 14<sup>th</sup> March 2014. Payments were received on a monthly basis up to and including October 2014.

2.3 A reminder was issued on 24<sup>th</sup> November 2014, followed by a second reminder on 19<sup>th</sup> January 2015. A Final Notice was issued on 23<sup>rd</sup> February, and a Summons was issued on 27<sup>th</sup> March. A Liability Order was granted to the Council at Cheltenham Magistrates' Court on 28<sup>th</sup> April for £1,201.

2.4 A notification of Hearing was issued on 29<sup>th</sup> April 2015.

2.5 A new bill for the financial year 2015/16 for £13,927.25 was issued on 13<sup>th</sup> March 2015, and a reminder was issued on 20<sup>th</sup> April following which, a payment of £1,136 was received.

2.6 On 20<sup>th</sup> July 2015, a Final Notice was issued and a Summons was issued on 21<sup>st</sup> August. A Liability Order was granted to the Council at Cheltenham Magistrates' Court on 22<sup>nd</sup> September for £13,927.25.

2.7 A Notification of Hearing was issued on 23<sup>rd</sup> September 2015.

2.8 As there was no communication from Canberra 134 Ltd., the Liability Order was forwarded to the Council's Enforcement Agents.

2.9 On 8<sup>th</sup> December 2015, the Enforcement Agents returned the account to the Council as they had concluded that Canberra 134 Ltd. had vacated C1 East (Unit 2) Kemble Airfield on 30<sup>th</sup> November.

2.10 The account was therefore closed from 30<sup>th</sup> November 2015, and the balance was recalculated. For the period 1<sup>st</sup> April to 30<sup>th</sup> November 2015, the balance outstanding is £9,284.83, including costs.

2.11 However, we will continue to try and trace the debtor and will write the debt back on to the system for recovery if we are successful

3. Canberra 134 Ltd. - Account 7500123996

3.1 Canberra 134 Ltd. became liable for C2 Kemble Airfield, Kemble from 1<sup>st</sup> May 2013, although the Council did not become aware of this until September 2013. A bill for Business Rates for the period 1<sup>st</sup> May 2013 to 31<sup>st</sup> March 2014 amounting to £29,254.97 was issued to Canberra 134 Ltd. on 12<sup>th</sup> September 2013.

3.2 As no payments were made, a Reminder Notice was issued on 21<sup>st</sup> October 2013, followed by a Final Notice on 30<sup>th</sup> December and a Summons on 21<sup>st</sup> February 2014. A Liability Order was granted to the Council at Cheltenham Magistrates' Court on 24<sup>th</sup> March.

3.3 A Notification of Hearing was issued on 25<sup>th</sup> March 2014.

3.4 A payment of £29,255.97 had been received for 2013/14 financial year and a credit of £1 was transferred to the new financial year.

3.5 A bill for the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 amounting to £40,553.72 was issued to Canberra 134 Ltd on 14<sup>th</sup> March 2014.

- 3.6 As they had defaulted with payments, a Reminder notice was sent on 24<sup>th</sup> November 2014, followed by a second Reminder on 19<sup>th</sup> January 2015. A Final Notice was issued on 23<sup>rd</sup> February and a Summons was issued on 27<sup>th</sup> March. A Liability Order was granted to the Council at Cheltenham Magistrates Court on 28<sup>th</sup> April and a Notification of Hearing was issued on 29<sup>th</sup> April.
- 3.7 Payments totalling £36,498.72 had been received for the 2014/15 financial year and a debit of £4,119.00 was transferred to the new financial year.
- 3.8 A bill for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016, amounting to £49,793, was issued to Canberra 134 Ltd. on 13<sup>th</sup> March 2015.
- 3.9 On 28<sup>th</sup> April 2015, a payment of £4,055 was received in respect of the previous year's outstanding liability. As no payments had been received for the 2015/16 year, a Reminder Notice was issued on 20<sup>th</sup> April, followed by a Final Notice on 20<sup>th</sup> July. A Summons was issued on 21<sup>st</sup> August and a Liability Order was granted to the Council at Cheltenham Magistrates' Court on 22<sup>nd</sup> September.
- 3.10 A Notification of Hearing was issued on 23<sup>rd</sup> September 2015.
- 3.11 As there was no communication from Canberra 134 Ltd., the Liability Order was forwarded to the Council's Enforcement Agents.
- 3.12 On 8<sup>th</sup> December 2015, the Enforcement Agents returned the account to the Council as they had concluded that Canberra 134 Ltd. had vacated C2 Kemble Airfield on 31<sup>st</sup> August.
- 3.13 The account was therefore closed from 31<sup>st</sup> August, and the balance was recalculated. For the period 1<sup>st</sup> April to 31<sup>st</sup> August 2015, the balance outstanding is £20,814.11, including costs.
- 3.15 However, we will continue to try and trace the debtor and will write the debt back on to the system for recovery if we are successful.
4. Canberra 134 Ltd. - Account - 7500123987
- 4.1 Canberra 134 Ltd. became liable for The Lodge C Site, Kemble Airfield, Kemble from 1<sup>st</sup> May 2013, although the Council did not become aware of this until September 2013. A bill for Business Rates for the period 1<sup>st</sup> May 2013 to 31<sup>st</sup> March 2014 amounting to £1,992.93 was issued to Canberra 134 Ltd. on 12<sup>th</sup> September 2013.
- 4.2 As no payments were made, a Reminder Notice was issued on 21<sup>st</sup> October 2013.
- 4.3 On 14<sup>th</sup> November 2013, a copy Bill was issued, followed by a second Reminder on 30<sup>th</sup> December, a Final Notice on 20<sup>th</sup> January 2014, and a Summons on 21<sup>st</sup> February. A Liability Order was granted to the Council at Cheltenham Magistrates' Court on 24<sup>th</sup> March.
- 4.4 A Notification of Hearing was issued on 25<sup>th</sup> March 2014.
- 4.5 The full amount, including costs, was paid before the end of the financial year.
- 4.6 A bill amounting to £2,213.70 for the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 was issued to Canberra 134 Ltd. on 14<sup>th</sup> March 2014.
- 4.7 As they had defaulted on payments, a Reminder Notice was issued on 24<sup>th</sup> November 2014, followed by a second Reminder Notice on 19<sup>th</sup> January 2015 and a Final Notice on 23<sup>rd</sup> February. A Summons was issued on 27<sup>th</sup> March and a Liability Order was granted to the Council at Cheltenham Magistrates' Court on 28<sup>th</sup> April.
- 4.8 A Notification of Hearing was issued on 29<sup>th</sup> April 2014.

4.9 A sum of £1,992.70 was paid, leaving a debit balance of £286, which was carried forward to the following financial year and a bill amounting to £2,256.00 for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 was issued to Canberra 134 Ltd. on 13<sup>th</sup> March 2015.

4.10 As no payments were made, a Reminder Notice was sent on 20<sup>th</sup> April 2015, followed by a Final Notice on 20<sup>th</sup> July. A Summons was issued on 21<sup>st</sup> August, and a Liability Order was granted by to the Council at Cheltenham Magistrates' Court on 22<sup>nd</sup> September.

4.11 A Notification of Hearing was issued on 23<sup>rd</sup> September 2015.

4.12 As there was no communication from Canberra 134 Ltd., the outstanding Liability Orders were forwarded to the Council's Enforcement Agents.

4.13 On 8<sup>th</sup> December 2015, the Enforcement Agents returned the account to the Council as they had concluded that Canberra 134 Ltd. had vacated The Lodge C Site, Kemble Airfield on 30<sup>th</sup> November.

4.14 The account was therefore closed from 30<sup>th</sup> November 2015 and the balance was recalculated. For the period 1<sup>st</sup> April to 30<sup>th</sup> November 2015, the balance outstanding is £1,504, including costs.

4.15 However, we will continue to try and trace the debtor and will write the debt back on to the system for recovery if we are successful.

5. Mr. S Brady - Invoice No. 4025559

5.1 This overpayment was created on 2<sup>nd</sup> October 2014 in a sum of £6,910.99. The period of the overpayment was from 3<sup>rd</sup> December 2012 until 3<sup>rd</sup> March 2013 and was caused because Mr. Brady failed to declare that he did not have any rental liability.

5.2 Recovery of the overpayment was commenced by invoicing Mr. Brady for the amount owing. Subsequent reminders and final notices were sent as Mr. Brady failed to make payment.

5.3 Post had been returned by the Post Office marked 'Gone Away, and information received suggests that Mr. Brady has absconded and might be living in Spain.

5.4 Credit checks have also been done which does not give any linked addresses. Local and central system checks have also been carried out to ensure he is not claiming benefit at any other address.

5.5 The outstanding debt, as at 13<sup>th</sup> May 2016, is £6,210.99.

5.6 However, we will continue to try and trace the debtor and will write the debt back on to the system for recovery if we are successful.

(END)