



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 19 JUNE 2023
Subject	WRITE OFF IN EXCESS OF £5,000 RELATING TO A BUSINESS
Wards affected	Ermin
Accountable member	CLlr Mike Evemy – Deputy Leader and Cabinet Member with responsibility for Finance Email: mike.evemy@cotswold.gov.uk
Accountable officer	Mandy Fathers – Business Manager for Environmental, Welfare and Revenues Email: mandy.fathers@publicagroup.uk
Report Author	Mandy Fathers – Business Manager for Environmental, Welfare and Revenues Email: mandy.fathers@publicagroup.uk
Summary/Purpose	To seek approval for the writing off of business rates debts in excess of £5,000
Annexes	None
Recommendation(s)	That Cabinet resolves to: <i>a) Approve the write off of the outstanding accounts totalling £11,384.40</i>
Corporate priorities	<ul style="list-style-type: none"><li>• Deliver the highest standard of service</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Leader, Deputy Leader and Member for Finance, Chief Executive and Deputy Chief Executive, Monitoring Officer, Interim Head of Legal Services, Finance Business Partner, Assistant Director, Director of Finance (Publica)



## **1. EXECUTIVE SUMMARY**

- 1.1** On 7 December 2020 the Cabinet approved a recommendation to accept a one-off payment from Leckhampton Estates (Ullenwood) Ltd in full and final settlement to remove the secured charges the Council had on business hereditaments for unpaid business rates.
- 1.2** The one-off payment was for the sum of £75,307.27 to remove charges that totalled £100,304.71 from 27 business hereditaments and 1 domestic property.
- 1.3** The one-off payment was apportioned across these properties, and any balances left on accounts was then written off.
- 1.4** This report is in respect of a further 4 hereditaments that formed part of the Leckhampton Estate and were part of the approved settlement agreement; however, these hereditaments were missed off the original report, and therefore, this report is to seek approval to write-off the outstanding balances on these accounts.

## **2. BACKGROUND**

- 2.1** Leckhampton Estate (Ullenwood) Ltd, is a private company limited by shares.
- 2.2** In 2016 the company owned the site known as Ullenwood Court, Ullenwood, with a view to redeveloping the land. The exact purchase price of this site is unknown, but information obtained from Companies House confirmed accounts included a £2 million bank loan which was secured by a legal mortgage over the property.
- 2.3** Ullenwood Court had previously been utilised as agricultural type workplaces; all of which would have been assessed under the non domestic rating system.
- 2.4** When purchased, all hereditaments had been empty and unused for a number of years and all eligible reliefs and/or exemptions had been applied to the business rate accounts.
- 2.5** The company failed to pay the business rates due on each hereditament, and the Council were successful in securing a charge on the site for business rates that were owed.
- 2.6** The Council later instructed an Insolvency Practitioner to help recover monies owed who advised that Leckhampton Estate (Ullenwood) Ltd had received an offer to purchase the land for £1.2 million.
- 2.7** In order for the sale to be successful the mortgagee, who had significant interest and outstanding balances, offered to pay the Council £75,307.27, in full and final settlement to remove the secured charges that totalled £100,034.71.



**2.8** On advice from the Insolvency Practitioner to accept this offer and relinquish the charge to ensure the majority of debt was repaid to the Council, a report was submitted to Cabinet on 7 December 2020 for the offer to be approved.

### **3. MAIN POINTS**

**3.1** The Cabinet report, dated 7 December 2020 related to 27 non domestic rate accounts and 1 council tax account and were individually listed within Annex A of that report.

**3.2** Unfortunately, an additional 4 business rates accounts were missed off the initial report, and monies secured and repaid to the Council have not been apportioned against these accounts.

**3.3** It is therefore being proposed that the following accounts which in total have an outstanding balance of £11,384.40 are also written off.

Account	Address	Charge Period	Amount
7500165931	Ullenwood Court Riding Centre	01.07.17 to 18.02.18	£1,691.03
7500161528	15 Ullenwood Court	01.04.17 to 18.02.18	£3,724.39
7500144842	23 Ullenwood Court	01.04.16 to 31.3.17	£2,820.16
750045481	Pt 23, Ullenwood Court	01.04.16 to 31.03.18	£3,147.82
Total			£11,384.40

### **4. FINANCIAL IMPLICATIONS**

**4.1** The financial impact of the write off will be recognised in the Collection Fund and will form part of the Collection Fund Surplus or Deficit at the end of 2023/24. The financial impact of the proposed write off will be shared by Central Government (50%), Gloucestershire County Council (10%) and Cotswold District Council (40%) as follows:

Government 50%	Gloucestershire County 10%	Cotswold 40%	Amount
£5,692.20	£1,138.44	£4,553.76	£11,384.40



## **5. LEGAL IMPLICATIONS**

- 5.1 The Council's Financial Rules state that any amounts in excess of £5,000 that are requested for write off must be approved by Cabinet.

## **6. RISK ASSESSMENT**

- 6.1 There is no risk associated with this report. The debts that are being proposed for write off should have been included within the previous report in which the Council approved the full and final settlement offer.

## **7. EQUALITIES IMPACT**

- 7.1 There are no unacceptable adverse effects on the protected characteristics covered by the Equalities Act 2010 that have been identified.

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 8.1 There are none associated with this report.

## **9. ALTERNATIVE OPTIONS**

- 9.1 The Council has previously approved a full and final settlement to address the debts owed. There are no other options available to the Council.

## **10. BACKGROUND PAPERS**

- 10.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Agenda Item 14 – Cabinet 7 December 2020.

These documents will be available for inspection at the Council Offices at Trinity Road, Cirencester, GL7 1PX during normal office hours for a period of up to 4 years from the date of the meeting. Please contact democratic services via [democratic@cotswold.gov.uk](mailto:democratic@cotswold.gov.uk)

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