



Belfast City Council

Report to:	Health and Environmental Services Committee
Subject:	Outstanding Accounts – Provision of Services to Associated Companies
Date:	4th August, 2010
Reporting Officer:	Suzanne Wylie, Director of Health and Environmental Services, ext 3260
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Relevant Background Information

At its meeting on 2nd June, the Committee authorised that certain outstanding accounts be written off in accordance with the Council's Financial Regulations.

Arising from the discussion at the meeting, the Director of Health and Environmental Services agreed to submit a further report to Committee which considered whether the Council could restrict services to an associated company of a business which has gone into liquidation that had outstanding accounts with the Council, particularly where directors of the company in liquidation are also directors of the associated company.

The Director of Health and Environmental Services agreed also to discuss the current practice of restricting publication of the detail of individual write offs with the Town Solicitor & Assistant Chief Executive, given that the publication of such information could be viewed as being in the public interest.

Key Issues

As limited companies are separate legal entities, the Council would not normally have recourse against a company which continued to trade, where the directors were also directors of a company in liquidation. However the Town Solicitor & Assistant Chief Executive has advised that, in certain circumstances, the Council could consider withdrawing services to an associated company where the directors were also the sole or substantially the same directors of a company in liquidation which had amounts owed to the Council.

Such decisions would, however, be required to be taken on an individual basis and would need to consider whether the company had a statutory right to the service, such as Building Regulations, or if it was in the interests of the Council to continue the service, for example Regulatory or Licensing services. The business nature of the

service may also need to be considered, for example Commercial Waste Collection, where businesses pay a commercial charge for the service. Where the Council perceives that there is a risk of further financial loss in dealing with an associated company, alternative payment methods may be considered, rather than foregoing potential external income. In such cases, the Director of Health and Environmental Services would assess, taking advice from Legal Services where appropriate whether withdrawal of service or alternative payment method is appropriate.

The Town Solicitor & Assistant Chief Executive has also advised that there is no requirement to restrict publication of the details of individual outstanding accounts which have been written off by the Council and as such the restriction could now be removed from the Committee reports.

Recommendations

The Committee is asked to note the advice of the Town Solicitor & Assistant Chief Executive regarding the provision of services to companies, whose directors are also directors of a company in liquidation which owe amounts to the Council and the publication of the details of outstanding accounts written off by the Council.

The Committee is also asked to note that recommendations will be submitted to the Strategic Policy and Resources committee regarding circumstances where withdrawal of services may be considered by departments in conjunction with Legal Services and the publication of details of write-offs.

Decision Tracking

N/A