

**RIBBLE VALLEY BOROUGH COUNCIL** DECISION  
**REPORT TO POLICY AND FINANCE COMMITTEE**

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Agenda Item No 19

meeting date: 27 MARCH 2012  
title: NATIONAL NON DOMESTIC RATES AND COUNCIL TAX WRITE OFFS  
submitted by: DIRECTOR OF RESOURCES  
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off certain Council Tax and National Non-Domestic Rate debts.

1.2 Relevance to the Council's ambitions and priorities:

❖ ***Council Ambitions/Community Objectives/Corporate Priorities***

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 BACKGROUND

Council Tax and NNDR

2.1 No specific statute exists to give guidance on the circumstances under which debts, in general, can be written off other than the statute of limitations. Any debt for which recovery action has not been taken within six years still remains but legal action cannot be taken.

2.2 As a matter of law, we are under an obligation to take reasonable steps to collect council tax and business rate debts.

2.3 We do this by various means, including summonses, Attachment of Earnings, Attachment of Benefits, distraint of goods, bankruptcy and winding up, charging orders and committal warrants. However, there are some cases where debtors simply leave their property with arrears and where we have no forwarding address, or are declared bankrupt, are deceased with insufficient funds in the estate or cease trading.

2.4 The onset of the recession has seen more companies get into financial difficulties. Companies that get into the most financial difficulties have to take the administration/receivership options if they are unable to agree terms with their creditors.

3 CURRENT POSITION

3.1 There are now a number of cases where the company has gone bankrupt or into administration therefore we need to write off some Council Tax and NNDR debts.

#### 4 FINANCIAL IMPLICATIONS

- 4.1 Where NNDR debts are written off these costs are met from the national non domestic rate pool and do not fall directly on local council tax payers.
- 4.2 Where council tax debts are written off the costs are borne by the Council Tax Collection Fund and therefore do fall on local council tax payers.

#### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £1,019.93 Council Tax and £31,944.77 of NNDR debts where it has not been possible to collect the amounts due.

#### REVENUES AND BENEFITS MANAGER

PF17-12/ME/AC  
14 March 2012

## Policy and Finance Committee

## Write Offs - Council Tax

Year	Name	Property	Amount £
<b>LIQUIDATION</b>			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed. It is unlikely in this case that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2011/12	Townley Arms Limited	Berry Lane, Longridge	1,019.93
<b>TOTAL COUNCIL TAX</b>			<b>1,019.93</b>

## Write Offs - NNDR

Year	Name	Property	Amount £
<b>DISSOLVED</b>			
Dissolution is the last stage of liquidation, the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed.			
2009/10	Tinzap Limited, La Taverna	23-25 Old Row, Barrow, Clitheroe	466.17
2010/11			1,288.02
2011/12			434.73
			<b>2,188.92</b>
<b>ADMINISTRATION</b>			
An administration order is a process designed to protect limited companies from their creditors while a debt restructuring plan is carried out and presented to creditors and courts. It is unlikely that in this case that, as an unsecured creditor, we will receive any funds, but if we do an adjustment will be made to the amount written off.			
2010/11	Tessin Limited, Freemason's Arms	8 Vicarage Fold, Wiswell, Clitheroe	1,963.68
2011/12			3,977.35
			<b>5,941.03</b>
<b>LIQUIDATION</b>			
Liquidation is the process by which a company (or part of a company) is brought to an end, and the assets and property of the company redistributed. It is unlikely in this case that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2010/11	Inn Take (UK) Ltd, Black Bull Inn	Old Langho, Blackburn	1,939.65
2011/12			2,349.81
			<b>4,289.46</b>
2010/2011	Townley Arms Limited	Berry Lane, Longridge	6,254.18
2011/12			13,271.18
			<b>19,525.36</b>
<b>TOTAL NNDR</b>			<b>31,944.77</b>