

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 29 JANUARY 2013
title: NATIONAL NON DOMESTIC RATES WRITE OFF
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To obtain Committee's approval to write off a National Non-Domestic Rate debt.

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

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 business rate debts.

2.3 We do this by various means, including summonses, distraint of goods, bankruptcy, winding up 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 been dissolved or gone into liquidation or ceased trading and therefore we need to write off some NNDR debts.

4 FINANCIAL IMPLICATIONS

4.1 Until the end of this financial year 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.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £26,165.36 of NNDR debts where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF4-13/ME/AC
16 January 2013

Background papers: None

For further information please ask for Mark Edmondson ext 4504

Policy and Finance Committee

Write Offs - NNDR

Year	Name	Property	Amount £
CEASED TRADING			
Bailiffs attended registered office and have been unable to recover any funds so account returned.			
2010/11	White Bull Ltd	White Bull Hotel, Church Street, Ribchester	7,295.39
2011/12			1,772.48
TOTAL NNDR			9,067.87

Year	Name	Property	Amount £
VOLUNTARY LIQUIDATION			
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	Pendle Inns Ltd	Buck Inn, Sawley Road, Grindleton, Clitheroe	3,014.44
2012/13			3,095.65
			6,110.09
2012/13	P H Restaurants Longridge Ltd	104 – 106 Higher Road, Longridge	1,125.63
			1,125.63
2011/12	Bayley Arms Ltd	Bayley Arms Hotel, Avenue Road, Hurst Green, Clitheroe	3,211.00
2012/13			5,116.54
			8,327.54
TOTAL			15,563.26

Year	Name	Property	Amount £
DISSOLVED			
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.			
2012/13	Shave Perfect Ltd	Unit 22, Time Technology Park, Blackburn Road, Simonstone, Burnley	1,534.23
TOTAL			1,534.23