

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 26 MARCH 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 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

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, gone into liquidation/administration, or it has not been possible to trace the debtor and therefore we need to write off some NNDR debts.

3.2 Annex 1 shows details of the various debts we are seeking approval to write off – these total £71,488.56.

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 £71,488.56 of NNDR debts where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF23-13/ME/AC
14 March 2013

Background papers: None

For further information please ask for Mark Edmondson.

Policy and Finance Committee

Write Offs - NNDR

Year	Name	Amount £
ADMINISTRATION		
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.		
2008/09	NJW Developments Ltd Suite 10, The Printworks, Hey Road, Barrow	1,977.61
TOTAL		1,977.61

Year	Name	Amount £
GONE AWAY		
Debtor has left the premises and despite extensive attempts we have been unable to trace their whereabouts.		
2009/10	Variant Pub Holdings Ltd Black Bull Hotel, Church Street, Ribchester	1,965.88
2009/10		1,119.66
TOTAL		3,085.54
2011/12	Hemingways Ltd 60-62 Berry Lane, Longridge	1,870.42
TOTAL		1,870.42
TOTAL		4,955.96

Year	Name	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.		
2012/13	Lancashire Leisure Solutions Ltd Towneley Arms Hotel, Berry Lane, Longridge	5,762.37
TOTAL		5,762.37
2012/13	White Bull Hotel Church Street, Ribchester	6,796.32
TOTAL		6,796.32
TOTAL		12,558.69

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.			
2009/10	Goldpedal Ltd	Blackburn Road, Ribchester	8,494.18
2010/11			29,070.27
			37,564.45
2009/10	Ribble Valley Construction Ltd.	Unit 4, Whalley Industrial Park, Clitheroe Road, Barrow	1,350.68
2010/11			339.19
			1,689.87
2011/12	Old Oak (2012) Ltd	Old Oak Hotel, 111 Preston Road, Longridge	1,780.51
2012/13			1,143.49
			2,924.00
2012/13	Total Swift Ltd	Strawberry Fields Café Bar and Restaurant, Main Street, Gisburn	5,314.06
			5,314.06
2012/13	Max Restaurants Ltd	The Plate, Backridge Farm, Twitter Lane, Bashall Eaves	3,661.57
2012/13		The Old Barn, Backridge Farm, Twitter Lane, Bashall Eaves	842.35
			4,503.92
TOTAL			51,996.30