

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 6

meeting date: 9 SEPTEMBER 2014
title: LOCAL TAXATION WRITE OFFS
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, enforcement agents, 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, insolvent 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 is one case where the company has gone into liquidation and two cases where the company has been dissolved and therefore we need to write off an NNDR debt.

3.2 Annex 1 shows details of the debt we are seeking approval to write off – this totals £11,157.29.

4 FINANCIAL IMPLICATIONS

- 4.1 Up until 31 March 2013 the costs arising from any NNDR debts written off were met from the non-domestic rate pool and therefore did not impact this Council's finances directly.
- 4.2 The new rates retention scheme came into effect on 1 April 2013 and as a result the cost of NNDR write offs are now met in part by central government and in part by local government.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off of £11,157.29 of NNDR debt where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF32-14/ME/AC
26 August 2014

Background papers: None

For further information please ask for Mark Edmondson.

Policy and Finance Committee

Write Offs - NNDR

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.			
2011/12	Acorn Equestrian Supplies Limited	Acorn Lodge, Longsight Road, Clayton le Dale, Blackburn	1,373.36
2012/13			2,176.28
2013/14			1,881.51
			5,431.15
2013/14	D M K (NW) Ltd	The Plate, Back Ridge Farm, Twitter Lane, Bashall Eaves, Clitheroe	1,839.95
2014/15			1,439.73
			3,279.68
TOTAL			8,710.83

Year	Name	Property	Amount £
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 are redistributed. It is unlikely in these cases that, as an unsecured creditor, we will receive any funds but if we do an adjustment will be made to the amount written off.			
2013/14	Rebgrace Limited	Metcalfes Café Bar, 60-62 Berry Lane, Longridge, Preston	2,353.55
2014/15			92.91
TOTAL			2,446.46