

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No 8

meeting date: 16 JUNE 2015
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 certain 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, 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 are two cases where the companies have been dissolved or gone into liquidation and therefore we need to write off NNDR debts. Annex 1 details these various debts which we are seeking approval to write off – these total £3,804.95 i.e. £3,744.95 NNDR and £60.00 costs.

4 FINANCIAL IMPLICATIONS

4.1 Until 31 March 2013 when NNDR debts were written off the costs were met from the non-domestic rate pool.

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 £3,804.95 i.e. £3,744.95 NNDR debts and £60.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF31-15/ME/AC

6 June 2015

Write offs – NNDR

Year	Name	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.		
2013/14	Cattermoles Limited	Cattermoles Sawmill, Whins Lane, Simonstone, Burnley BB12 7QN
2012/13		
		964.00
		Costs 60.00
		Total 1,217.15

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.			
2015/16	Lancashire Pubs (Myerscough) Limited	The Myerscough Hotel, Balderstone, Blackburn BB2 7LE	331.80
2014/15			2,256.00
			Total 2,587.80

Total £3,804.95