

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

DECISION

Agenda Item No 8

meeting date: 5 APRIL 2016  
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 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 individuals and 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 been dissolved and therefore we need to write off Council Tax and NNDR debts. Annex 1 shows details of the debts we are seeking approval to write off – these total £3,745.75 and the costs £180.00.

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 £76.66 Council Tax, £3,669.09 of NNDR debts and £180.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF22-16/ME/AC  
21 March 2016

## Write offs – NNDR

| Year  | Name                           | Amount<br>£  |          |
|---|--------------------------------|--|----------|
| <b>DISSOLVED</b><br>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. |                                |  |          |
| 2015/16   | Heritage Inns (Old Langho) Ltd | Black Bull Inn, Old Langho Road, Old Langho, Blackburn BB6 8AW | 1,152.46 |
| 2014/15   |                                |  | 2,636.63 |
| <b>Total</b>  |                                | <b>*3,789.09</b>   |          |

\* includes £120.00 costs

## Write offs – Council Tax

| Year  | Name                           | Amount<br>£  |        |
|---|--------------------------------|--|--------|
| <b>DISSOLVED</b><br>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. |                                |  |        |
| 2015/16   | Heritage Inns (Old Langho) Ltd | Black Bull Inn, Old Langho Road, Old Langho, Blackburn BB6 8AW | 136.66 |
| <b>Total</b>  |                                | <b>^136.66</b>   |        |

^includes £60.00 costs