

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 9

meeting date: 2 APRIL 2019  
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 Business Rate debts.

1.2 Relevance to the Council's ambitions and priorities:

❖ ***Council Ambitions/Community Objectives/Corporate Priorities***

Without the revenue collected from business rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

## 2 BACKGROUND

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. We only write debts off where all avenues of debt recovery have been fully explored.

### **Business Rates**

2.2 As a matter of law, we are under obligation to take reasonable steps to collect Business Rates 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.

### **Council Tax**

2.4 As a matter of law, we are under an obligation to take reasonable steps to collect council tax debts.

2.5 We do this by various means, including summonses, Attachment of Earnings, Attachment of Benefits, Attachment of Allowances, distraint of goods, bankruptcy, 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 or are deceased with insufficient funds in the estate.

## 3 CURRENT POSITION

There are now two cases where a company has been dissolved, two cases where the company has been liquidated and one where the company has ceased trading and therefore we need to write off these debts. Annex 1 shows details of the debts we are seeking approval to write off against the collection fund – these total £727.25 Council Tax and £15,604.86 business rates.

#### 4 FINANCIAL IMPLICATIONS

- 4.1 Where Council Tax debts are written off the costs are borne by the Council Tax collection fund and therefore fall on Council Tax payers.
- 4.2 The cost of business rate write offs are met in part by central government 50% and in part by local government, i.e. ourselves 40%, the county council 9% and the fire and rescue authority 1%.

#### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £727.25 Council Tax and £15,604.86 Business Rates where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF18-19/ME/AC  
21 March 2019

## Write offs – NNDR

Year	Name		Amount £
<b>LIQUIDATION</b>			
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.			
2017/18	DP Interior Design Ltd	Unit 8-9 Hawthorne Business Park, Lincoln Way, Clitheroe	3,376.65
2016/17	10Acia Ribchester Ltd	Kensington Suite, Asturian House, Asturian Gate, Ribchester	667.48
2016/17		1 <sup>st</sup> Floor, Asturian House, Asturian Gate, Ribchester	2,561.25
2016/17		Balmoral Suite Asturian House, Asturian Gate, Ribchester	1,707.50
<b>Total</b>			<b>8,312.88</b>

Year	Name	Property	Amount £
<b>DISSOLVED</b>			
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.			
2018/19	Signor Sassi Restaurant	1 <sup>st</sup> Floor Office, The Avenue, Brockhall Village, Old Langho, Blackburn	449.44
2018/19		No 1 Restaurant and Bar, Brockhall Village, Old Langho, Blackburn	2,444.07
2018/19	Gialla Limited	78-82 Whalley Road, Clitheroe	710.03
<b>TOTAL</b>			<b>3,603.54</b>

Year	Name		Amount £
<b>CEASED TRADING</b>			
Bailliffs attended registered office and have been unable to recover any funds so account returned.			
2018/19	Trattoria Lupo Ltd	78/82 Whalley Road, Clitheroe	3,688.44
<b>Total</b>			<b>3,688.44</b>

## Write offs – Council Tax

Year	Name		Amount £
<b>DISSOLVED</b>			
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.			
2018/19	Signor Sassi Restaurant	Flat at The Avenue, Brockhall Village, Old Langho, Blackburn	7.25
2018/19	Gialla Limited	78-82 Whalley Road, Clitheroe	720.00
<b>Total</b>			<b>727.25</b>