

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 12

meeting date: 25 SEPTEMBER 2012
title: NATIONAL NON DOMESTIC RATES 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 relating to companies.

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 or gone into administration therefore we need to write off some NNDR debts.

4 FINANCIAL IMPLICATIONS

4.1 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 £42,083.04 of NNDR debts where it has not been possible to collect the amounts due.

REVENUES AND BENEFITS MANAGER

DIRECTOR OF RESOURCES

PF52-12/ME/AC
11 September 2012

Background papers: None

For further information please ask for Mark Edmondson ext 4504

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.			
2010/11	Local Food 2 U Ltd	Unit 34 Time Technology Park, Blackburn Road, Simonstone	1,357.67
2011/12			2,802.13
			4,159.80
2011/12	Reclaim Credit Ltd	Unit 13 Time Technology Park, Blackburn Road, Simonstone	2,142.45
TOTAL NNDR			6,302.25

Year	Name	Property	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.			
2011/12	Thornber Home and Leisure Ltd	Greenacre Street, Clitheroe	23,862.98
2012/13			11,917.81
TOTAL NNDR			35,780.79