

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

DECISION

Agenda Item No 11

meeting date: 24 JANUARY 2017  
title: LOCAL TAXATION AND COUNCIL TAX 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

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.

NNDR

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.

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.

Council Tax

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

2.6 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.

2.7 The onset of the recession has seen more individuals get into financial difficulties.

### 3 CURRENT POSITION

- 3.1 There are now five cases where the company has been dissolved or liquidated and therefore we need to write off Council Tax and NNDR debts. Annex 1 shows details of the debt we are seeking approval to write off – this totals £21,090.39 and £120 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.
- 4.3 Where Council Tax debts are written off the costs are borne by the Council Tax Collection Fund and therefore fall on local Council Tax payers.

### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £21,090.39 NNDR debts and £120 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF7-17/ME/AC  
13 January 2017

## ANNEX 1

## Write offs – NNDR

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.			
2016/17	Fitness Finesse (Clitheroe) Ltd	Unit 2-3, Albion Court, Clitheroe BB7 1NS	1,631.53
2015/16	Sylhet Brasserie Ltd	Spring Mill Hotel, Whalley Road, Langho, Blackburn BB6 8DD	9,913.72
2015/16	Red Mango (Clitheroe) Ltd	Double Tree Indian Restaurant, York Street, Clitheroe BB7 2DL	7,491.30
<b>Total</b>			<b>19,036.55</b>

Year	Name	Property	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.			
2015/16	Pub Solutions North Ltd	Fielden's Arms, Whalley Road, Mellor Brook, Blackburn BB2 7PR	*1,957.58
<b>TOTAL</b>			<b>1,957.58</b>

## Write offs – Council Tax

Year	Name	Property	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.			
2015/16	Pub Solutions North Ltd	Fielden's Arms, Whalley Road, Mellor Brook, Blackburn BB2 7PR	*216.26
<b>TOTAL</b>			<b>216.26</b>

\*includes £60 costs