

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 7 NOVEMBER 2017
 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 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.

3 CURRENT POSITION

3.1 There are now two cases where a company has been dissolved 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 £2,462.52 business rate debts and £60 costs.

4 FINANCIAL IMPLICATIONS

4.1 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%.

4.2 The total bad debts provision for business rates stood at £330,000 at 1 April 2017.

Central Government	50%	165,000
Ribble Valley Borough Council	40%	132,000
Lancashire County Council	9%	29,700
Lancashire Fire & Rescue Authority	1%	3,300
		£330,000

5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £2,462.52 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

PF63-17/ME/AC
25 October 2017

Write offs – NNDR

Year	Name		Amount £
<i>DISSOLVED</i>			
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	1000 Miglia Garage Limited	Waterloo Road, Clitheroe BB7 1NS	*1,316.00
2016/17	Bowland IT Group Limited	9 Castlegate, Clitheroe BB7 1AZ	1,206.52
Total			2,522.52

*includes £60 costs