

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 8

meeting date: 23 JANUARY 2018  
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

3.1 There is now one case where a company has been dissolved and one case where the company has been liquidated 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 £173.22 Council Tax and £60.00 costs and £2,357.62 business rate and £60 costs.

#### 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%.
- 4.3 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
		<b>£330,000</b>

#### 5 RECOMMENDED THAT COMMITTEE

- 5.1 Approve writing off £173.22 Council Tax and £60.00 costs £2,537.62 Business Rates and £60.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF2-18/ME/AC  
5 January 2018

## Write offs – NNDR

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.			
2016/17	The Myerscough (Samlesbury) Ltd	Myerscough Hotel, Balderstone, Blackburn	*990.21
<b>Total</b>			<b>990.21</b>

\*includes £60 costs

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.			
2016/17	Heritage Inns (Samlesbury) Ltd	Myerscough Hotel, Balderstone, Blackburn	1,427.41
<b>TOTAL</b>			<b>1,427.41</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.			
2016/17	The Myerscough (Samlesbury) Ltd	Myerscough Hotel, Balderstone, Blackburn	*233.22
<b>Total</b>			<b>233.22</b>

\*includes £60 costs