

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 19 NOVEMBER 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 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.

Council Tax

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

2.3 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.

Business Rates

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

2.5 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 is one case where a company has been liquidated and therefore we need to write off both council tax and business rates debts. Annex 1 shows details of the debts we are seeking approval to write off against the collection fund – these total £290.85 council tax and £4,976.28 in 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 Under the **current** Business Rate Pilot arrangements the cost of Business Rate write offs are met in part by central government 25% and in part by local government, i.e. ourselves 56%, the county council 17.5% and the fire and rescue authority 1.5%.

5 RECOMMENDED THAT COMMITTEE

5.1 Approve writing off £230.85 in Council Tax and £60.00 costs and £4,856.28 Business Rates and £120.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF56-19/ME/AC
6 NOVEMBER 2019

Write offs – Council Tax

Year	Name	Property	Amount £
LIQUIDATION			
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.			
2019/20	Roalb Ltd	Fieldens Arms, Whalley Road, Mellor Brook, Blackburn	*290.85
TOTAL			290.85

*including £60.00 costs

Write offs – NNDR

Year	Name	Property	Amount £
LIQUIDATION			
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.			
2018/19	Roalb Ltd	Fieldens Arms, Whalley Road, Mellor Brook, Blackburn	*3,167.19
2019/20			*1,809.09
TOTAL			4,976.28

*including £60.00 costs