

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

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meeting date: 13 SEPTEMBER 2022  
title: LOCAL TAXATION WRITE OFFS  
submitted by: DIRECTOR OF RESOURCES  
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### 1 PURPOSE

1.1 To obtain Committee's approval to write off Business Rates 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.

#### **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 is one case where the company has dissolved and one where the company has been liquidated. The Annex attached shows details of the debts we are seeking approval to write off – these total £17,325.92 in business rates with £180.00 costs.

### 4 FINANCIAL IMPLICATIONS

4.1 Under the **current** Business Rate Pilot arrangements 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%.

### 5 RECOMMENDED THAT COMMITTEE

5.1 Approve writing off total £17,325.92 in business rates with £180.00 costs where it has not been possible to collect the amount due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF41-22/ME/AC

1 August 2022

41-22pf

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## 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	Broomhill Day Care Centre Ltd	*1,311.94
2017/18		*6,669.14
2018/19		*6,916.84
<b>TOTAL</b>		<b>14,897.92</b>

\*including £60.00 costs

Year	Name	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.		
2021/22	Virtual Distribution Ltd	Unit 5 Time Technology Park, Blackburn Road, Simonstone 2,608.00
<b>Total</b>		<b>2,608.00</b>