

meeting date: 30 MARCH 2021
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.

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 are three cases where the companies have been dissolved and 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 £1,611.93 in Council Tax, £17,437.37 in business rates and £420.00 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%.

4.2 RECOMMENDED THAT COMMITTEE

4.3 Approve writing off £1,611.93 in Council Tax, £17,437.37 in Business Rates and £420.00 costs where it has not been possible to collect the amounts due.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF17-21/ME/AC
17 MARCH 2021

Write offs – Council Tax

Property			Amount £
DISSOLVED			
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.			
2018/19	PDA Public Houses Ltd	Old Oak Hotel, 111 Preston Road, Longridge	*1,203.96
2019/20			*416.24
2017/18	PF Pub Management Ltd	Bayley Arms, Avenue Road, Hurst Green	*171.73
TOTAL			1,791.93

Write offs – NNDR

Year	Name	Property	Amount £
DISSOLVED			
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.			
2017/18	PDA Public Houses Ltd	Old Oak Hotel, 111 Preston Road, Longridge	5,592.72
2018/19			*7,068.00
2019/20			*1,483.27
2019/20	Attire UK Limited	9 Market Place, Clitheroe	*1,653.93
2017/18	PF Pub Management Limited	Bayley Arms, Avenue Road, Hurst Green	*1,879.45
TOTAL			17,677.37

*including £60.00 costs