

Subject:	Council Tax, Non-Domestic Rate & Housing Benefit Overpayment Write Offs	Status:	For Publication	
Report to:	Cabinet	Date:	19 th July 2023	
Report of:	Head of Finance	Lead Member:	Resources	
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached:	No
Biodiversity Impact Assessment:	Required:	No	Attached:	No
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1. RECOMMENDATIONS

- 1.1 Members are recommended to approve the write off of £152,711.76 in respect of irrecoverable Non-Domestic Rate debt (NNDR). Direct cost to Rossendale BC is £61,084.70.
- 1.2 Members are recommended to approve the write off of £19,689.57 in respect of irrecoverable Council Tax debt. Direct cost to Rossendale BC is £2,669.51

2. EXECUTIVE SUMMARY

- The purpose of the report is to request member authority to write off bad debts of Non-Domestic Rates, Housing Benefit Overpayment and Council Tax which are above the delegated limit of £5000 (see appendix).
- The sums to be written off are the amounts unpaid by the customer. Due to funding and precepting arrangements, the amounts borne by Rossendale in income foregone are lower than the totals written off.
- In each case, there are no more recovery options available to collect monies owed and therefore no prospect of collection in these cases.
- Appropriate Recovery action has been attempted, but the remaining balances are now irrecoverable.
- Rossendale achieved 98.16% Non-Domestic Rates collection performance which is the third highest in Lancashire for 2021 – 22, the average performance across all authorities was 95.5%.

3. BACKGROUND

It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable. There is no delegated authority to write off debts in excess of £5,000, and so member authorisation is required.

4. DETAILS

- 4.1 The sum of £152,711.76 is regarded as irrecoverable in respect of NNDR; the companies in question having variously gone into liquidation or absconded and the debts are therefore recommended for write off. The write off amount is the total unpaid tax, due to the tier split between central government, county council and district, Rossendale will bear £61,084.70 of this sum directly.
- 4.2 There were no assets identified which could have been realised in order to offset the debts in these cases.

4.3 The sum of £19,689.57 is regarded as irrecoverable in respect of Council Tax; it relates to individuals whose debts are now covered by Individual Voluntary Arrangements and Debt relief Orders. As such no further collections activity is possible. The write off amount is the total unpaid tax. Due to the split between precepts, Rossendale will bear £2,669.51 of this sum directly.

4.4 There were no assets identified which could have been realised in order to offset the debts in these cases.

4.5 There are no housing benefit overpayment cases which require authorisation at this time.

5. RISK

5.1 There are no specific risk issues for members to consider arising from this report.

6. FINANCE

6.1 Each year the Council reviews its assessment of potential bad debts and sets aside sums for future recognition of uncollectable amounts.

6.2 The Council's share of the sums recommended for write-off are shown below:

- NNDR	£61,084.70 (40%)
- Council Tax	£2,669.51 (13.56%)

6.3 The Council holds sufficient sums in the collection fund bad debt provisions for both NNDR and Council Tax to fund those amounts recommend for write-off.

7. LEGAL

7.1 There are no specific implications arising from the report as all means of recovery have presently been exhausted.

8. POLICY AND EQUALITIES IMPLICATIONS

8.1 The proposed write offs set out in this report are recommended in accordance with the Council's agreed write off policies and procedures.

8.2 An EIA initial assessment has been undertaken and it has been identified there are no disproportional impact and a Full EIA is not required.

9. REASON FOR DECISION

9.1 It is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable.

No background papers

**ROSSENDALE BOROUGH COUNCIL
NON RECOVERABLE LOCAL TAXATION DEBTS FOR WRITE OFF**

Council Tax

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
*****60	Council Tax Payer	Haslingden BB4 ***	2008/2009	Committal proceedings took place in 2012. RBC advised that father was in a care Facility. Debt is now statue barred	£759.75	£6,888.37
			2008/2009		£75.00	
			2009/2010		£1,044.13	
			2010/2011		£927.18	
			2011/2012		£1,047.74	
			2012/2013		£1,050.18	
			2013/2014		£1,037.40	
			2014/2015		£946.99	
*****74	Council Tax Payer	Bacup OL13 ***	2009/2010	Charge Payer is subject to a IVA from 21st February 2023 and debt is not recoverable.	£371.17	£6,488.42
			2013/2014		£102.82	
			2014/2015		£210.76	
			2015/2016		£214.28	
			2016/2017		£220.80	
			2017/2018		£29.03	
			2018/2019		£1,204.00	
			2019/2020		£1,075.04	
			2020/2021		£981.10	
			2021/2022		£1,020.02	
			2022/2023		£1,059.40	
			*****41		Exors of Council Tax Payer	
2016/2017	£1,119.33					
2017/2018	£1,546.02					
2018/2019	£1,830.11					
2019/2020	£1,083.92					
					TOTAL	£19,689.57

ROSSENDALE BOROUGH COUNCIL

NON RECOVERABLE LOCAL TAXATION DEBTS FOR WRITE OFF

NNDR

Ref No	Name of Debtor	Address of Property	Period	Reason	Amount	Total
****759	The Ratepayers	George & Dragon 94 Rochdale Rd Bacup OL13 9NR	2014/2015	Charge Payer is subject to a IVA from 25 January 2022 and debt is not recoverable. IVA is still active - 05.06.2023	£1,985.80	£13,843.80
			2015/2016		£3,993.00	
			2016/2017		£7,865.00	
****685	St Satellites Ltd	5-7 Haslingden Old Rd Rawtenstall BB2 7DU	2019/2020	Charge arose from application for small business covid grant. Investigations concluded property should be subject to empty rates. Objections to Companies House to stop company being dissolved were made but Company was eventually dissolved on 7th June 2022	2049.6	£5,523.63
			2020/2021		3123.2	
			2021/2022		£350.83	
*****90	Euro Property London Ltd	Over 67 Deardengate Haslingden BB4 5SN	2010/2011	Company dissolved wef 28.01.2020 We have tried to collect the debt and have thoroughly exhausted all recovery avenues Once the account was summonsed and recovery letters issued the account was monitored and once no contact was made we passed the debt on the enforcement agents for collection If the case was returned we followed trace procedures	£2,451.98	£31,305.58
			2011/2012		£3,191.23	
			2012/2013		£3,375.00	
			2013/2014		£3,465.00	
			2014/2015		£2,668.48	
			2015/2016		£3,697.50	
			2016/2017		£3,727.50	
			2017/2018		£3,042.68	
			2018/2019		£3,056.60	
			2019/2020		£2,629.61	
*****99	Brymere Ltd	Woolpack Hotel 488-490 Manchester Rd Haslingden	2015/2016	Company dissolved wef 27.11.2018 We have tried to collect the debt and have thoroughly exhausted all recovery avenues Account has been passed to the bailiff and enquiries made for alternative addresses	£13,414.41	£40,324.87
			2016/2017		£14,983.32	
			2017/2018		£11,927.14	
*****62	Jolly Sailor Waterfoot Ltd	Jolly Sailor Booth Rd Waterfoot BB4 7RB	2018/2019	Sole company director passed away March 2022. Company at proposal to strike off. Only address available is that of the sole director company dissolved 23.05.2023	£4,324.73	£7,671.58
			2019/2020		£3,346.85	

*****39	Utility Smart Ltd	Unit 9 New Hall Hey Business Centre Rawtenstall	2017/2018 2018/2019 2018/2019 2019/2020 2020/2021	We have tried every avenue to collect this debt. Company no longer trades and has no assets. Remaining director was left with sole responsibility. Only address is is home address. He is on minimal wage with a young family. Debt is with the company therefore cannot pursue against director	£3,305.76 £217.81 £4,348.87 £6,678.00 £1,208.11	£15,758.55
*****9X	Bark Engineering Limited	Churchside Park Road Industrial Estate, Park Road, Bacup	2020/2021 2021/2022	Company in LIQUIDATION wef 14.04.2022	£16,589.75 £16,477.47	£33,067.22
*****73	Fit4Life Health and Fitness Ltd	Unit 1-3 Rising Bridge Busines & Enterrpise Village	2022/2023	Company in LIQUIDATION wef 26.01.2023	£5,216.53	£5,216.53
					TOTAL	£152,711.76