

## Irrecoverable Debts - Council Tax and Non-Domestic Rates

### Report by the Executive Head of Customer Services

#### 1. Summary

- 1.1. This report details outstanding Council Tax, Non-Domestic Rates, the Business Improvement District levy and associated Court costs which have been the subject of lengthy recovery action and enquiries. In all cases the defaulter is insolvent, has died, absconded without trace or the amount is too small for economical recovery or the Court have remitted the debt. The associated debts are now deemed to be irrecoverable and are therefore recommended for write-off.

#### 2. Background

- 2.1 Paragraph 8.4 of the Council's Financial Regulations require that irrecoverable debts of Council Tax and Non-Domestic Rates over £2,500 are to be submitted to the Cabinet Member for Resources for write-off.
- 2.2 All outstanding arrears are regularly reviewed and an assessment made as to the likelihood of recovery. The scale of the effort made to collect each debt varies in proportion to the amount outstanding.

#### 3. Legal

- 3.1 The Local Government Finance Act, 1988 and regulations made under it provides the statutory regime for National Non-Domestic Rates.
- 3.2 The Local Government Finance Act, 1992 and regulations made under it provides the statutory regime for Council Tax.

#### 4. Financial implications

##### A. Council Tax

- 4.A.1 The Council traditionally has achieved a very high level of Council Tax collection, which compares favourably with other local authorities in Sussex.
- 4.A.2 Inevitably, however, there are a number of debts, which will never be recovered, and an appropriate bad debts provision is made in the Council's accounts each year against the likelihood of non-payment. The bad debt provision for Council Tax for the current financial year is £306,487.00. Irrecoverable debts amounting to £4,359,57 are submitted for write-off in this

report against that provision. Further sums may be submitted at later dates, as and when circumstances indicate they have become irrecoverable.

4.A.3 In addition Council Tax debts individually less than £2,500 but together totalling £18,310.11 have been submitted to the Section 151 Officer simultaneously under the Financial Regulations described above.

## **B. Non-Domestic Rates**

4.B.1 Irrecoverable Non-Domestic Rates are offset against the Council's contributions to the national pool at no detriment to the Borough's General Fund.

4.B.2 Irrecoverable debts amounting to £96,747.25 are submitted for write-off against a bad debt provision of £302,491.29 for the current financial year. Further sums may be submitted at later dates as and when circumstances indicate they have become irrecoverable.

4.B.3 In addition Non-Domestic Rate debts individually less than £2,500, but together totalling £3,873.58, have been submitted to the Section 151 Officer simultaneously under the Financial Regulations described above.

4.B.1 Schedules of all debts mentioned in this report are available for inspection through the Contact Officer.

## **C. Business Improvement District Levy**

4.C.1 The BID levy is collected on behalf of the BID Management Company, lead by the Town Centre Initiative. There no financial implications directly to the Council. The Management Board have authorised debts totalling £2,920.77 for write off.

## **5. Recommendation**

5.1 Considerable resources have already been expended in the effort to collect these arrears. Any further enquiries or enforcement action would not be cost effective.

**5.2 The recommendation is that the Cabinet Member for Resources approve the write-off of the debts referred to in paragraphs 4.A.2 and 4.B.2.**

### **Local Government Act 1972**

#### **Background Papers:**

Local Government Finance Act 1988

#### **Contact Officer:**

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## **Schedule of other matters**

### **1.0 Council Priority**

1.1 Matter considered and no issues identified

### **2.0 Specific Action Plans**

2.1 Matter considered and no issues identified

### **3.0 Sustainability Issues**

3.1 Matter considered and no issues identified

### **4.0 Equality Issues**

4.1 Matter considered and no issues identified

### **5.0 Community Safety issues (Section 17)**

5.1 Matter considered and no issues identified

### **6.0 Human Rights Issues**

6.1 Matter considered and no issues identified

### **7.0 Reputation**

7.1 Matter considered and no issues identified

### **8.0 Consultations**

8.1 Matter considered and no issues identified

### **9.0 Risk assessment**

9.1 Matter considered and no issues identified

### **10.0 Health & Safety Issues**

10.1 Matter considered and no issues identified

### **11.0 Procurement Strategy**

11.1 Matter considered and no issues identified

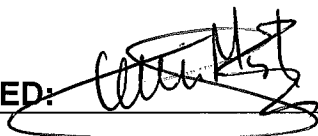
### **12.0 Partnership working**

12.1 Matter considered and no issues identified

**Write Off Schedule – August 2012 to November 2012**

<b>Council Tax Totals</b>		<b>£</b>
Insolvencies Under £2500		
Insolvencies Over £2500		£4,359.57
Write Offs Under £2500		
Write Offs Over £2500		
Resulting from Court Hearing Under £2500		
Resulting from Court Hearing Over £2500		
<b>Total</b>		<b>£4,359.57</b>
<b>NNDR Totals</b>		<b>£</b>
Insolvencies Under £2500		
Insolvencies Over £2500		£51,170.78
Write Offs Under £2500		
Write Offs Over £2500		£45,576.47
Resulting from Court Hearing Under £2500		
Resulting from Court Hearing Over £2500		
<b>Total</b>		<b>£96,747.25</b>
<b>Grand Total</b>		<b>£101,106.82</b>

RECOMMENDED:



DATE:

5/12/12

APPROVED:

DATE:

# NDR White Offs Insolvencies Over £2500 - August 2012

Name	Account No'	From	To	Charge	Cost	TOTALS
Beverly Atfield & Kerry Meyer-Andrews						
101493189						
18/06/2007						
06/10/2008						
Pre 2000				£	-	
				£	-	
2000/01				£	-	
				£	-	
2001/02				£	-	
				£	-	
2002/03				£	-	
				£	-	
2003/04				£	-	
				£	-	
2004/05				£	-	
				£	-	
2005/06				£	-	
				£	-	
2006/07				£	-	
				£	-	
2007/08				£	3,055.80	£ 3,055.80
				£	-	
2008/09				£	2,535.94	£ 2,535.94
				£	90.00	£ 90.00
2009/10				£	<del>2,535.94</del>	
				£	<del>-90.00</del>	
2010/11				£	-	
				£	-	
2011/12				£	-	
				£	-	
2012/13				£	-	
				£	-	
<b>Totals</b>				£	<b>5,681.74</b>	£ 5,681.74
				£	<del>-5,681.74</del>	
				£	5,681.74	Bankrupt

**DR Write Offs Over £2500 - August 2012**

Name	Account No'		TOTALS		Sanctuary Bars Ltd
	From	To			
Pre 2000	Charge		£	-	101513674
	Cost		£	-	01/06/2010
2000/01	Charge		£	-	23/05/2011
	Cost		£	-	
2001/02	Charge		£	-	
	Cost		£	-	
2002/03	Charge		£	-	
	Cost		£	-	
2003/04	Charge		£	-	
	Cost		£	-	
2004/05	Charge		£	-	
	Cost		£	-	
2005/06	Charge		£	-	
	Cost		£	-	
2006/07	Charge		£	-	
	Cost		£	-	
2007/08	Charge		£	-	
	Cost		£	-	
2008/09	Charge		£	-	
	Cost		£	-	
2009/10	Charge		£	-	
	Cost		£	-	
2010/11	Charge		£	16,741.59	£ 16,741.59
	Cost		£	100.00	£ 100.00
2010/11	Charge		£	2,790.76	£ 2,790.76
	Cost		£	100.00	£ 100.00
2012/13	Charge		£	-	
	Cost		£	-	
Totals			£	19,732.35	£ 19,732.35
			£	19,732.35	Dissolved

**NNDR White Offs Insolvencies Over £2500 - September 2012**

Name	Account No'	Mrs Sarah E Roy	The Nationwide Christian Trust T/a Living Oasis	Mrs Emily A Colbourne	Super Deal Products Ltd	Southern Shopfitting & Interiors Ltd	Mrs Iris Withey	Freestyle Direct Ltd
From	To	101454380	101513098	101514372	101512769	101476339	100935703	101508142
Pre 2000	Charge	21/08/2000	23/06/2010	29/06/2010	28/10/2010	07/01/2007	01/04/1990	15/12/2008
	Cost	10/11/2010	02/07/2011		28/04/2011	12/10/2011	05/12/2011	21/04/2011
2000/01	Charge							
	Cost							
2001/02	Charge							
	Cost							
2002/03	Charge							
	Cost							
2003/04	Charge							
	Cost							
2004/05	Charge							
	Cost							
2005/06	Charge							
	Cost							
2006/07	Charge							
	Cost							
2007/08	Charge							
	Cost							
2008/09	Charge							
	Cost							
2009/10	Charge	£ 562.00						
	Cost							
2010/11	Charge	£ 10,117.48			£ 6,710.91			
	Cost							
2011/12	Charge		£ 2,666.62	£ 6,954.41		£ 2,640.37	£ 2,687.10	£ 2,727.84
	Cost		£ 100.00	£ 2,614.34				
2012/13	Charge							
	Cost							
<b>Totals</b>		£ 21,884.37	£ 2,766.62	£ 9,568.75	£ 6,710.91	£ 2,640.37	£ 2,687.10	£ 2,727.84
		£ 45,489.04	Bankrupt 10/11/10 17/08/11	bankrupt 02/07/12	admin 12/10/11	liquidation 27/7/11	IVA 07/5/11	liquidation 10/8/11

**NNDR Waste Offs Insolvencies Over £2500 - September 2012**

Name	Account No'		HOTBAGS & LUGGAGE LTD	
	From	To	101514055	
			23/06/2010	
			09/05/2011	
Pre 2000	Charge			
	Cost			
2000/01	Charge			
	Cost			
2001/02	Charge			
	Cost			
2002/03	Charge			
	Cost			
2003/04	Charge			
	Cost			
2004/05	Charge			
	Cost			
2005/06	Charge			
	Cost			
2006/07	Charge			
	Cost			
2007/08	Charge			
	Cost			
2008/09	Charge			
	Cost			
2009/10	Charge			
	Cost			
2010/11	Charge		£ 6,776.28	
	Cost		£ -	
2011/12	Charge		£ 831.69	
	Cost		£ 100.00	
2012/13	Charge			
	Cost			
<b>Totals</b>			<b>£ 7,707.97</b>	

IN LIQUIDATION  
22/11/2011



**NNRR Write Offs Over £2500 - September 2012**

Name	Account No'		TOTALS	Sussex Industrials Ltd	Gameplayer Ltd
	From	To			
Pre 2000	Charge	£ -			
	Cost	£ -			
2000/01	Charge	£ -		101519665	101494599
	Cost	£ -		30/01/2008	03/08/2007
2001/02	Charge	£ -		16/09/2009	01/09/2011
	Cost	£ -			
2002/03	Charge	£ -			
	Cost	£ -			
2003/04	Charge	£ -			
	Cost	£ -			
2004/05	Charge	£ -			
	Cost	£ -			
2005/06	Charge	£ -			
	Cost	£ -			
2006/07	Charge	£ -			
	Cost	£ -			
2007/08	Charge	£ -			
	Cost	£ -			
2008/09	Charge	£ 6,352.50	£ 6,352.50		
	Cost	£ -			
2009/10	Charge	£ -			
	Cost	£ -			
2010/11	Charge	£ -			
	Cost	£ -			
2010/11	Charge	£ 4,457.55	£ 4,457.55		
	Cost	£ -			£ 4,457.55
2012/13	Charge	£ -			
	Cost	£ -			
<b>Totals</b>		£ 10,810.05	£ 10,810.05	£ 6,352.50	£ 4,457.55
		£ 10,810.05	£ 10,810.05	Dissolved 30/8/11	Dissolved 7/2/12

CTax Write Offs Insolvencies Over £2500 - October

Name	Account No'		TOTALS	MS JULIA OSMAN
	From	To		901873148
Pre 2000	Charge		£ -	01/04/2008
	Cost		£ -	17/04/2011
2000/01	Charge		£ -	
	Cost		£ -	
2001/02	Charge		£ -	
	Cost		£ -	
2002/03	Charge		£ -	
	Cost		£ -	
2003/04	Charge		£ -	
	Cost		£ -	
2004/05	Charge		£ -	
	Cost		£ -	
2005/06	Charge		£ -	
	Cost		£ -	
2006/07	Charge		£ -	
	Cost		£ -	
2007/08	Charge		£ -	
	Cost		£ -	
2008/09	Charge		£ 1,429.74	£ 1,429.74
	Cost		£ 6.48	£ 6.48
2009/10	Charge		£ 1,269.15	£ 1,269.15
	Cost		£ -	£ -
2010/11	Charge		£ 1,477.91	£ 1,477.91
	Cost		£ -	£ -
2011/12	Charge		£ 66.29	£ 66.29
	Cost		£ 110.00	£ 110.00
2012/13	Charge		£ -	
	Cost		£ -	
<b>Totals</b>			<b>£ 4,359.57</b>	<b>£ 4,359.57</b>
			<b>£ 4,359.57</b>	Debt Relief Order

Net Write Offs Over £2500 - October 2012

Name	Account No'		From To		TOTALS	Gym Xtreme Ltd	Vibrance Ltd	Quantum Computers Ltd
	Charge				£ -			
	Cost				£ -			
2000/01	Charge				£ -			
	Cost				£ -			
2001/02	Charge				£ -			
	Cost				£ -			
2002/03	Charge				£ -			
	Cost				£ -			
2003/04	Charge				£ -			
	Cost				£ -			
2004/05	Charge				£ -			
	Cost				£ -			
2005/06	Charge				£ -			
	Cost				£ -			
2006/07	Charge				£ -			
	Cost				£ -			
2007/08	Charge				£ -			
	Cost				£ -			
2008/09	Charge				£ -			
	Cost				£ -			
2009/10	Charge				£ -			
	Cost				£ -			
2010/11	Charge				£ 10,687.62	£ 3,121.26	£ 7,566.36	
	Cost				£ 110.00		£ 110.00	
2010/11	Charge				£ 1,729.85	£ 1,729.85		
	Cost				£ -			
2012/13	Charge				£ 2,396.60			£ 2,396.60
	Cost				£ 110.00			£ 110.00
<b>Totals</b>					£ 15,034.07	£ 4,851.11	£ 7,676.36	£ 2,506.60
					£ 15,034.07			

Dissolved 9/10/12  
 Dissolved 14/8/12  
 Dissolved  
 15/5/12