

Report of the Portfolio Holder for Resources and Personnel Policy

Irrecoverable Arrears

1. Purpose of Report

To provide Members with an overview of the recent irrecoverable arrears write offs in relation to Council Tax, Business Rates, Housing Rents and other General Fund services that have been actioned under delegated authority.

2. Recommendation

Cabinet is asked to NOTE the report.

3. Detail

In accordance with Financial Procedure Rule 5.9, the details provided in this report identify the debts to the Council that have been written off since the previous report to Cabinet on 2 September 2025. In each case all necessary enquiries have been made and all reasonable steps taken to recover the sums outstanding within the limits of resources available. The defaulters who can be traced have little or nothing in the way of assets. If new information subsequently becomes available regarding the current whereabouts of the defaulters, the accounts may be reinstated and further efforts made to recover the debt.

Members will note that this report also includes an exercise to ensure an accurate reflection of the write-offs of Penalty Charge Notices (PCN) in respect of car parking are accurately reflected. This exercise was conducted following a recent review and has identified cases dating back to 2014/15 that are now classified as untraceable within the car parking management system. In each case, all appropriate investigations have been conducted, and every reasonable effort was made to recover the amount. Details of the summary amounts to write-off in respect of each financial year are detailed in the **Appendix**.

The PCN process has been developed to ensure a high achievement of payments being received. Parking Services has requested annual reports from Nottinghamshire County Council (NCC) to monitor the effective management of unresolved cases. Payment plans for individuals struggling to make full payment are introduced at early stages of the process. The implementation of a secondary bailiff attempt is designed to further support the recovery of outstanding debts classified as irrecoverable.

It should be noted that any surplus revenue generated from PCN is strictly ringfenced, ensuring it is solely reinvested into parking service provision and not allocated to other Council services or functions.

There are no debts in excess of £7,500 requiring authorisation from Cabinet for approval.

4. Financial Implications

The comments of the Interim Deputy Chief Executive and Section 151 Officer were as follows:

All debts within this report have been authorised in line with Financial Procedure Rule 5.9, delegating the authority to the Deputy Chief Executive. However, it is important for Members to be aware of the levels of irrecoverable arrears being actioned by the Council. The table below provides more detail on the various funds.

	£
1. National Non Domestic Rates	34,694.32
2. Council Tax	174,487.83
3. Rents	7,736.97
4. Housing/Council Tax Benefit Overpayments	18,209.61
5. Sundry Debts	4,735.80
6. Penalty Charge Notices	22,769.14
Total	262,633.67

The appropriate bad debt provisions and revenue budgets are in place to contain the amount to be written off. Further details are provided in the Appendix.

5. Legal Implications

The comments from the Head of Legal Services were as follows:

The report recommends that the debts as set out in the report, be written off in accordance with the Council's procedure on debt write-off. The report has set out circumstances whereby debts can lawfully be written off by the Council and these include circumstances when a debt is time barred, where the debtor is deceased or gone away or is unable to be traced. In such circumstances to pursue the debt would be a very difficult and costly exercise with little or no chances of success.

6. Human Resources Implications

Not applicable.

7. Union Comments

Not applicable.

8. Climate Change Implications

Not applicable.

9. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

10. Background Papers

Not applicable

Appendix

Summary Position

Irrecoverable Arrears Not Exceeding £7,500

In accordance with Financial Procedure Rule 5.9, the Interim Deputy Chief Executive and Section 151 Officer has exercised his delegated authority to write off individual irrecoverable debts not exceeding £7,500 as follows:

	£
1. National Non-Domestic Rates	34,694.32
2. Council Tax	174,487.83
3. Rents	7,736.97
4. Housing and Council Tax Benefit Overpayments	18,209.61
5. Sundry Debts	4,735.80
5. Penalty Charge Notices	22,769.14
Total	262,633.67

Irrecoverable Arrears Over £7,500

	£
1. National Non-Domestic Rates	0.00
2. Council Tax	0.00
3. Rents	0.00
4. Housing and Council Tax Benefit Overpayments	0.00
5. Sundry Debts	0.00
Total	0.00

The amount for write-off in respect of National Non-Domestic Rates is reflected in the Business Rates Retention Scheme with the impact being shared between Central Government, Nottinghamshire County Council, Nottinghamshire Fire Authority and the other local authority members of the Nottinghamshire Business Rates Pool. A total bad debt provision of £415k existed as at 31 March 2025.

Only 8.2% of the Council Tax amount to be written off is effectively allocated to Broxtowe, with the remainder being apportioned between the other major preceptors Nottinghamshire County Council, Nottinghamshire Police and Nottinghamshire Fire and Rescue. A total bad debt provision of £875k existed as at 31 March 2025.

A bad debt provision of £179k was in place for Housing Rents as at 31 March 2025.

Write-offs in respect of Housing and Council Tax Benefits overpayments effectively falls on this Council, although subsidy can still be received depending upon the circumstances causing the benefit overpayment in the first place. Bad debt provisions of £521k for sundry debtors and £263k for benefit overpayments were in place as at 31 March 2025. These will be utilised to cover the remaining amounts to be written off under benefit overpayments and sundry debts.

Irrecoverable arrears for Penalty Charge Notices

The table below identifies 251 historic outstanding Penalty Charge Notice (PCN) cases deemed untraceable for the periods dating back from 2014/15 to 2024/25. PCN are issued at £70 (high level) or £50 (low level) with discounts to £35 and £25 if paid within 14 days. Additional recovery costs occur as the case escalates through the lifecycle of a PCN.

All endeavours to retrieve arrears have been completed and to pursue individual cases further would be a difficult and costly exercise with little to no chance of success

Penalty Charge Notice Year	Total Cases	Write off Value (£)
2014/15	2	164.00
2016/17	2	144.14
2017/18	3	249.00
2018/19	38	3,514.00
2019/20	70	6,321.00
2020/21	48	4,409.00
2021/22	34	2,969.00
2022/23	17	1,488.00
2023/24	30	2,796.00
2024/25	7	715.00
Total	251	22,769.14

The total value of the write-off is £22,769.14 and with these relating to small value debts these have been written off under delegation. It should be noted that these transactions have not yet been reflected in the Council's financial accounts, so this write-off has not required any adjustments to budgets or provisions.

The value of PCN write-off in the most recent years 2022/23 to 2024/25 equates to an average of 6.8% of the total PCN amount collected.