

<b>Subject:</b>	Local Land Charge Debts – Progress Report		<b>Status:</b>	For Publication	
<b>Report to:</b>	Corporate Scrutiny Committee		<b>Date:</b>	18 <sup>th</sup> November 2013	
<b>Report of:</b>	Finance Manager		<b>Portfolio Holder:</b>	Finance and Resources	
<b>Key Decision:</b>	<input type="checkbox"/>	Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>	
<b>Community Impact Assessment:</b>	Required:	<del>Yes</del> /No	Attached:	<del>Yes</del> /No	
<b>Biodiversity Impact Assessment</b>	Required:	<del>Yes</del> /No	Attached:	<del>Yes</del> /No	
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1.	<b>RECOMMENDATION(S)</b>
1.1	The Corporate Scrutiny Members note the recovery progress explained in the report.

## 2. PURPOSE OF REPORT

- 2.1
- To provide Members with an update on the collection of works in default debts registered on the land charges register.
  - To provide Members with an update on the value of current default works and any invocation of the Council's enforced sale policy.

## 3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- A Clean and Green Rossendale** – creating a better environment for all, this priority focuses on clean streets and well managed open spaces.
  - Regenerating Rossendale** – supporting vibrant communities and a strong economy, this priority focuses on health inequality, building resilient communities and supporting businesses.
  - Responsive and value for money services** – this priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.

Strong financial control ensures the effective management of the Council's resources, which then enables the provision and delivery of value for money services.

## 4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- The Council needs to ensure that it continues to work towards balancing its resources over the medium term, including the provision of efficient and effective collection of debts. However, in some cases members and officers may need to balance the cost of continued recovery efforts against the realistic potential to receive any funds.

## 5. BACKGROUND AND OPTIONS

In October 2011 Members received a report introducing a policy of enforced sales for default work debts over £1k.

That report including information about the overall amount of default work debts outstanding, amounting to £307k at the time. It split those debts between those raised after April 2006 (£72.9k) which were on the Council's live debtors system, and older debts (£228.6k) which are only recorded on the local land charges register until the debts are cleared.

An update to this Committee in January 2012 showed that the total value outstanding on the Council's current debtors system had risen to £78.3k with the issuing of over £23k of debts during the 2011/12 financial year.

The purpose of this report is to give members an update on both the old debt being pursued wholly through the land charges register and the default works activity on the live debtors system.

### 5.1 Pre April 2006

Of the £228.6k of older debts logged only on the local land charges register, just over £0.7k of this has been received as a result of 2 land charge searches since October 2011.

Members are reminded that these default works included one very large retaining wall project undertaken in 1997 at a cost of £64.8k which was spread over 6 properties.

### 5.2 April 2006 to March 2012

To date, the value of debts outstanding which were raised between April 2006 and March 2012 has dropped by almost £43k to £35.5k with instalment payments accounting for around £1k of the amounts collected.

The largest single debt outstanding is £17.2k pertaining to one domestic property in Stacksteads. Officers have been in contact with the property owner in recent weeks and are expecting payment to be made in the near future without having to resort to an enforced sale. The remainder of the debt is made up of 66 separate items with an average of £322 and only 3 of these are over £1k.

### 5.3 April 2012 to March 2013

During the financial year 2012/13 new works totalling £19.0k were recharged to 25 property owners, including one valued at £11.4k pertaining to a commercial site in central Rawtenstall. Officers are in the process of an enforced sale on this site and anticipate conclusion within the 2013/14 financial year. To date £2.7k of the 2012/13 debt has been collected, leaving £17.2k outstanding.

### 5.4 April 2013 to September 2013

In the first six months of the current financial year, works totalling £8.7k have been raised to 23 property owners, of which £0.5k of this has already been collected.

5.5 To date the enforced sale policy has been invoked only once and this is still in progress, as noted in para 5.3 above.

## COMMENTS FROM STATUTORY OFFICERS:

### 6. SECTION 151 OFFICER

6.1 Default work debts on the council's live debtors system are monitored regularly through the reports provided to Cabinet. Debts outstanding on the local land charges register are collected as and when pre-sale searches are undertaken by potential property buyers.

### 7. MONITORING OFFICER

7.1 Unless specifically commented upon within the report, there are no implications for consideration.

### 8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 The recovery of land charges debts is undertaken in accordance with the Council's agreed policy and procedures.

Effective and efficient debt recovery efforts are considered with due regard on merit as required. This report is not proposing new services, policies, strategies, or plans (or significant changes to or reviews of them). It does not propose decisions about budget cuts or service changes/reductions. It is determined therefore, that this report is unlikely to have any adverse impacts under the Council's Equality Policy or associated equality duties, and has not been assessed for equalities impacts.

No HR implications arising from this report.

### 9. CONCLUSION

9.1 That efficient and effective use of resources may sometimes mean that debts are held on the Local Land Charges Register pending a subsequent pre-sale search. Legal recovery processes will always remain the first course of action if debts are not paid promptly, but at some point officers must exercise a judgment call on the collectability of debts.

#### Background Papers

Document	Place of Inspection
Detailed financial records going back to 1971 are held within Financial Services	Financial Services
Local Land Charges Register	Local Land Charges at the One Stop Shop