

	Cabinet 15 July 2024
	Report from the Corporate Director of Partnerships, Housing and Resident Services
	Lead Member – Cabinet Member for Resident Support & Culture (Councillor Fleur Donnelly- Jackson)
Uncollectable Debt: Write-Off	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt from publication as it contains exempt information as specified in Paragraph 3, Part 1, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information).
List of Appendices:	One Appendix 1: Individual debt write off 1 October 2023 – 31 March 2024 (exempt)
Background Papers:	Write-off procedure Ethical Debt Recovery Policy
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1.0 Executive Summary

- 1.1 The purpose of the report is to inform Cabinet of the debts written off between 1 October 2023 and 31 March 2024 that exceed £20,000.00 in relation to council tax, sundry debts, adult social care client contributions, and housing benefit overpayments as detailed in the appendices to this report. The aggregate total value of these debts is £606,101.94 as set out in Appendix 1 of this report.

1.2 All debts selected for write-off have been pursued for collection in line with the Council's Ethical Debt Recovery Policy. This means that all avenues have been pursued and exhausted before a debt is proposed for write-off. The subsequent write-off is then carried out in accordance with the Council's Write-Off Procedure.

2.0 Recommendation(s)

2.1 The Cabinet notes the debt written off as listed in Appendix One.

2.2 Cabinet notes a total write of £606,101.94 of debt for the period October 2023 to March 2024.

3.0 Detail

Cabinet Member Foreword

3.1 This report sets out the write-offs completed in the second half of the 2023/24 financial year. The financial regulations require a write-off procedure be in place and that write-offs are completed in accordance with that procedure. The write-off procedure requires that any single or aggregated write-offs over the value of £20,000.00 are reported to the Cabinet bi-annually. This report therefore fulfils the reporting requirement of the write-off procedure.

Background

3.2 5 debts over £20,000.00 with a total debt value of £272,552.91 were written off between 1 October 2023 and 31 March 2024. These are listed in Appendix One of the report (containing exempt information).

3.3 Between 1 October 2023 and 31 March 2024, a total debt value of £606,101.94 was written off as below:

1 October 23 - 31 March 24	
Debt Type	Amount
National Non-Domestic Rates	£165,458.00
Council Tax (incl costs)	£41,004.14
Housing Benefit Overpayments	£33,933.80
Sundry Debt	£365,706.00

£606,101.94

3.4 The Council is committed to taking all appropriate and ethical recovery action necessary before considering a debt for write off. This includes issue of dunning notices at the start of the recovery process, telephone and email engagement, senior management dialogue with counterparts and, where necessary, legal service, court and enforcement agent action.

3.5 Despite our best endeavours, it is inevitable that a small percentage of debt will not be collected and will ultimately have to be written off. Writing off debt is standard practice and recommended as part of good budget management.

3.6 The write-off procedure as formulated under financial regulation 8.3.1 is adhered to. The write-offs are reported to Cabinet in accordance with financial regulation 8.3.2 whereby write-offs over £20,000 agreed by the Corporate Director of Finance and Resources are reported to Cabinet biannually.

4.0 Stakeholder and ward member consultation and engagement

4.1 None

5.0 Financial Considerations

5.1 The bad debt provision is reviewed annually. Amounts identified for write off are contained within the bad debt provision assigned to Revenue & Debt.

5.2 Not writing-off debt would result in uncollectable debts continuing to be shown as outstanding with an inaccurate bad debt provision apportioned to these balances. Once a debt is no longer collectable it should be written off in the Council's accounts and the debt provision adjusted accordingly.

6.0 Legal Considerations

6.1 At present, in respect of the amounts listed there are no further implications. , Operations will cease associated with additional debt recovery.. Where the Council are provided with information which provides options for successful recovery, the amount will be written back onto the Council's systems and accounts for collection action to resume.

7.0 Equality, Diversity & Inclusion (EDI) Considerations

7.1 There are no equality act or health equality implications arising from this report.

8.0 Climate Change and Environmental Considerations

8.1 None

9.0 Human Resources/Property Considerations (if appropriate)

9.1 None

10.0 Communication Considerations

10.1 To outline relevant considerations in relation to any required communication strategy or campaigns.

Related documents:

Report sign off:

Peter Gadsdon

Partnerships, Housing and Resident Services