

 Brent	Cabinet 12 December 2022
	Report from the Corporate Director of Resident Services
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 contains exempt information as defined in paragraph 3, Schedule 12A Local Government Act 1972 –“Information relating to the financial or business affairs of any particular person (including the authority holding that information).”
No. of Appendices:	One Appendix 1 (exempt): Debts for Write undertaken during 2022-23 exceeding £20,000
Background Papers:	None
Contact Officer(s):	Ryan Stephenson, Debt Service Manager 020 8937 1513 ryan.stephenson@brent.gov.uk Peter Cosgrove, Head of Revenue and Debt 020 8937 3453 Peter.Cosgrove@brent.gov.uk

1. Purpose of the report

- 1.1 The purpose of the report is to inform Cabinet of the debts written off that exceed £20,000.00 in relation to sundry debt, Adult Social Care Client contribution, Business Rates, Housing Benefit Overpayments and Council Tax as detailed in the report appendix.
- 1.2 The aggregate total value of these debts written off from April to September 2022 is £683,004.32.
- 1.2 All cases requested for write-off follow Brent’s Ethical Debt Recovery Policy to recover the outstanding amounts. Only after all avenues have been exhausted does the Council consider writing off debt.

2. Recommendations

- 2.1 That Cabinet notes the debt-written off as described.

2.2 That Cabinet notes a total of write-off of £683,004.32 of debt as set out in Appendix 1 of this report.

3. Detail

3.1 The Council is committed to taking all appropriate recovery action necessary before considering a debt for write off. This includes issuing 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.

3.2 Despite the Council's 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. The write-off procedure as formulated under financial regulation 8.3.1 is adhered to; the current procedure was agreed by Cabinet on 6 April 2021 and may be found here: [Decision - Debt Write-Off Procedure \(brent.gov.uk\)](https://www.brent.gov.uk/decision-debt-write-off-procedure). 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, Finance and Resources are reported to Cabinet biannually.

4.0 Financial Implications

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

4.2 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.

5.0 Legal Implications

5.1 At present, in respect of the amounts listed there are no further implications, assets associated with the debt and associated/additional debt recovery operations will cease. Where the Council are provided with circumstantial changes or information which provides options for successful recovery, the amount may be written back onto the Council's systems and accounts for collection.

6. Equality Implications

6.1 There are no equality implications arising from this report.

7.0 Consultation with Ward Members and Stakeholders

7.1 None

8.0 Human Resources/Property Implications (if appropriate)

8.1 None

Report sign off:

Peter Gadsdon

Corporate Director of Resident
Services