

	Cabinet 17 July 2023
	Report from the Corporate Director, Resident Services
Uncollectable Debt: Write-Off	

Wards Affected:	All
Key or Non-Key Decision:	Non-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 has been classified as exempt under Paragraph 3 of 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)”
No. of Appendices:	One Appendix 1: (Exempt) Write-off of debts undertaken between 1 October 2022 to 31 March 2023 over £20,000.00 including list of debtors – Exempt
Background Papers:	Ethical Debt Recovery Policy 15d. Appendix 4 Brent Council Amended Ethical Debt Recovery Policy.pdf Debt Write-off procedure Decision - Debt Write-Off Procedure (brent.gov.uk)
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1. Purpose of the report

- 1.1 The purpose of the report is to inform Cabinet of the debts written off between 1 October 2022 and 31 March 2023 as required by financial regulation 8.3.2, whereby write-offs over £20,000 agreed by the Corporate Director, Finance and Resources are reported to Cabinet biannually. The write-offs are detailed in the appendix to this report and the aggregate total value of these debts is £55,862.92.

- 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 will the council consider writing off debt.

2. Recommendations

- 2.1 That Cabinet notes debt written off as described.

3. Detail

- 3.1 The Council is committed to taking all appropriate recovery action necessary before considering a debt for write off. This includes issue of dunning notices during 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 best endeavours of the Council it is inevitable that a 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 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, and 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 will 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, Resident
Services