

	Cabinet 11 December 2023
	Report from the Corporate Director of Resident Services
	Lead Member – Cabinet Member for Customers, Communities & Culture (Cllr 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 as it contains the following category of exempt information as specified in Paragraph 3, 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: (Exempt) Uncollectable Debt Write-Off
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Ryan Stephenson, Service Manager Revenue and Debt 020 8937 1513 ryan.stephenson@brent.gov.uk Peter Cosgrove, Head of Revenue and Debt 020 8937 3453 Peter.Cosgrove@brent.gov.uk

1.0 Executive Summary

- 1.1 The purpose of the report is to inform Cabinet of the debts written off between 1 April 2023 and 30 September 2023 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 £197,190.32 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 Cabinet notes the debt written off as listed in Appendix One of the report.
- 2.2 Cabinet notes a total write of £1,266,816.53 of debt for the period April 2023 to September 2023.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 This report sets out the write-offs agreed by the Corporate Director Finance and Resources from April to September 2023. The write-off of debt alongside the collection of debt wherever possible is in-line with the Council's strategic priority - Prosperity and Stability in Brent. In managing its debts in this way, it complies with audit and financial management requirements.

3.2 Background

- 3.2.1 Eight debts over £20,000 with a total debt value of £197,190.32 were written off between 1 April 2023 and 30 September 2023. These are listed in appendix one.
- 3.2.2 Between 1 April 2023 and 30 September 2023, a total debt value of £1,266,816.53 was written off as below:

April 2023 - September 2023	
Debt Type	Amount
Adult Social Care	£6,200.61
Council Tax	£20,031.39
Housing Benefit Overpayments	£1,076,938.28
Sundry Debt	£163,646.25

£1,266,816.53

- 3.2.3 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.

- 3.2.4 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. 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 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, 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.

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 There are none arising directly from this report.

Related document(s) for reference:

- Debt Write-off procedure
- Ethical Debt Recovery Policy

Report sign off:

Peter Gadsdon

Corporate Director of Resident Services