

Corporate Policy and Resources Committee

15th April 2024



Title	<i>Sundry Debt Write Offs</i>
Purpose of the report	To make a decision
Report Author	Sandy Muirhead Group Head Commissioning and Transformation Terry Collier Deputy Chief Executive Section 151 Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	<i>reason N/A</i>
Corporate Priority	Services
Recommendations	<p>Committee is asked to:</p> <p>Approve the Sundry Debt write offs set out amounting to £383,095 of which £373,834 relates to Housing Benefits overpayments (offset by housing benefit bad debt provision on balance sheet of £2,879,952 at March 31 2023)</p> <p>.</p>
Reason for Recommendation	Irrecoverable Debt for the reasons set out in the appendices

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> There are a number of debts which are irrecoverable despite best efforts to recover them. 	<ul style="list-style-type: none"> To meet the requirements of the Council's standing orders and best proactive by CIPFA we need to formally write off the debts
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> To formally write off the debts as required 	<ul style="list-style-type: none"> To write off these debts but continue with our recovery procedures to minimise ultimate write offs as far as possible.

- 1.1 Recovery and write off procedures for non-payment are set out in the Council's Standing Orders. The write off requests included in this report are for amounts above the delegated limit contained in the Council's Standing Orders.
- 1.2 The debts referred to in this report have reached a point where their recovery is no longer possible for reasons stated in each case.

2. Key issues

- 2.1 The Council has clear recovery and write off procedures for non-payment but in certain cases despite pursuing the debt it becomes irrecoverable for various reasons. These reasons are outlined in relation to specific debts in Appendix 1.
- 2.2 As the write off cases in Appendix 1 explain, no further can be taken to recover these debts and it is good accounting practice in such cases to write them off.

From the cases listed in Appendix 1 detailing the Sundry Debt that remain unpaid and not possible to collect, it is proposed that these are to be written off to the collective value of £383,095.

3. Options analysis and proposal

- 3.1 No further action can be taken to recover these debts and it is good accounting practice in such cases to write them off and as such, no other options are available.
- 3.2 Listed in Appendix 1 are the details of debts of £383,095 relating to Sundry Debt that remain unpaid and not possible to collect. It is proposed that these are to be written off. Housing Benefits have not put any cases to Committee for write off for many years and this is why there is the number and amounts that are being quoted in the report as housing benefits have allocated additional resources in the team to look at these matters recently.

4. Financial management comments

- 4.1 The proposed write offs are covered by the bad debt provision of £2,879,952 made in accordance with the CIPFA accounting code of practice.
- 4.2 The details of the write offs are provided in Appendix 1.

5. Risk management comments

- 5.1 In providing a range of services whether Council tax, business rates, housing benefits overpayments and bed and breakfast costs there is always a risk that recipients will not pay or pay back the monies provided to them. In the case of housing benefits overpayments, we are constrained by the regulations as to how much we can recover on a weekly basis. This risk is mitigated by ensuring we have a clear recovery process and monitor payments each month and then put in place as soon as possible recovery (or payment) mechanisms if someone is slipping into debt. Unfortunately, in some cases usually in relation to death and fraud we cannot recover the money.

6. Procurement comments

- 6.1 There is no procurement requirements in this report.

7. Legal comments

7.1 Legal are involved where appropriate in recovery processes.

8. Other considerations

8.1 A balance needs to be achieved between not incurring expenditure chasing debts which are not going to be recovered and overstating the debtor assets of the authority; and ensuring that the Council is seen as robustly pursuing debtors. The Council has a robust recovery policy and process in place. Due to a restructure in customer services there will be greater provision of resource to further recover debts owed to the Council.

9. Equality and Diversity

9.1 In trying to recover debt we need to ensure we have an equitable approach to all, and this is ensured through our recovery policy.

10. Sustainability/Climate Change Implications

10.1 Ensuring we maximise wherever possible debt assists our financial sustainability which contributes to the Council also achieving its social and environmental goals.

11. Timetable for implementation

The agreed write offs should be actioned as soon as practicable.

12. Contact

12.1 Sandy Muirhead Group Head Commissioning and Transformation 01784 446318

12.2 Terry Collier Deputy Chief Executive 01784 446296

Background papers: There are none.

Appendices:

Appendix 1 Summary of Irrecoverable debts,