

Corporate Policy and Resources Committee

Date of meeting 12 May 2025

Title	Sundry Debt Write offs
Purpose of the report	To make a decision
Report Author	Sandy Muirhead Group Head Commissioning and Transformation Terry Collier Deputy Chief Executive and Section 151 Officer
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	
Corporate Priority	Community Services
Recommendations	Committee is asked to: Approve the Sundry Debt write off set out amounting to £6854.52 which relates to irrecoverable Bed and Breakfast and Independent Living high needs account.
Reason for Recommendation	To meet the requirements of the Council's standing orders and best practice by CIPFA we need to formally write off the debts over £3000.

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> There are a few 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 practice by the Chartered Institute of Public Finance and Accountancy (CIPFA) we need to formally write off debts that are irrecoverable.
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 recovery is no longer possible for reasons stated in Appendix A.

2. Key issues

- 2.1 The Council has clear recovery and write off procedures for non-payment as outlined in the recently approved corporate debt policy and financial regulations but in certain cases; despite pursuing the debt, it becomes irrecoverable for various reasons. These reasons are outlined in relation to the specific debt in Appendix A.
- 2.2 From the cases listed in Appendix A detailing the Sundry Debt that remains unpaid and not possible to collect, it is proposed that these are to be written off to the collective value of £6,854.52.
- 2.3 Since the recent updating of the Corporate Debt Policy the Recovery Team for sundry debts has been strengthened and they are working with services to both clear any aged debt and put in place processes which minimise future debt build up and are ensuring any debt is managed in a timely manner.

3. Options analysis and proposal

- 3.1 No further actions can be taken to recover this debt, 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 A are the details of the Bed and Breakfast debt of £3,755.52 and the high needs debt of £3,099 relating to Sundry Debt that remains unpaid and not possible to collect. It is proposed that these amounts are written off.

4. Financial management comments

- 4.1 The proposed write off is covered by the sundry bad debt provision of £972,041 made in accordance with the CIPFA accounting code of practice.
- 4.2 The details of the write offs are provided in Appendix A.

5. Risk management comments

- 5.1 In providing a range of services whether Council Tax, Business Rates, Housing Benefits overpayments, bed and breakfast costs and Independent Living Meals on Wheels and OPAL there is always a risk that recipients will not pay or pay back the monies provided to them.
- 5.2 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. To further mitigate this risk now we have recovery resources in customer services and revenues, officers have talked to all relevant services firstly about aged debt and what is unrecoverable (and

therefore should be written off) and secondly to ensure better recovery procedures are in place to recover monies in a timely manner.

- 5.3 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 Corporate Debt Policy and process in place as approved at Corporate Policy and Resources Committee on 24 March 2025.

6. Procurement comments

- 6.1 There are no procurement requirements in this report.

7. Legal comments

- 7.1 Legal are involved where appropriate in recovery processes.

8. Equality and Diversity

- 8.1 In trying to recover debt we need to ensure we have an equitable approach to all, and this is ensured through our recovery policy Equality and Diversity provisions.

9. Sustainability/Climate Change Implications

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

10. Timetable for implementation

- 10.1 The agreed write off should be actioned as soon as practicable.

11. Contact

- 11.1 Sandy Muirhead Group Head Commissioning and Transformation
11.2 Terry Collier Deputy Chief Executive, Section 151 Officer.

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: *(These are unpublished papers upon which you have relied in preparing this report). If none state, There are none.*

Appendices:

Appendix A, Write Offs .