

AUDIT COMMITTEE	AGENDA ITEM No. 9
9 September 2024	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and S151 Officer	
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Corporate Governance and Finance	
Contact Officer(s):	Cecilie Booth, Executive Director of Corporate Services and S151 Officer	Tel: 07970 325557

IRRECOVERABLE DEBTS IN EXCESS OF £10,000

R E C O M M E N D A T I O N S	
FROM: Cecilie Booth – Director of Resources, S151 Officer	Deadline date: 9 September 2024
It is recommended that the Audit Committee notes the Irrecoverable Debts in excess of £10,000 report.	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Audit Committee for information from Cllr Jamil (Deputy Leader and Cabinet Member for Corporate Governance and Finance) following the publication of a Cabinet Report.

2. PURPOSE AND REASON FOR REPORT

2.1 This report is for information following the Cabinet Member for Finance exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (n).

2.2 This report is for the Audit Committee to consider under its Terms of Reference 4.1:
To review any issue referred to it by the Chief Executive or a Director, or any Council body.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
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4. BACKGROUND AND KEY ISSUES

4.1 The attached Cabinet report details the approval to write-off irrecoverable debts that exceed £10,000 in relation to Non-Domestic (Business) Rates, Council Tax, Housing Benefit Overpayments and Accounts Receivable (sundry debt) accounts included in the Appendices to the report (which detail the financial year and the category for the write-off request). The total value of irrecoverable debts in excess of £10,000 outlined in this report is £1,250,801.

- 4.2 All cases requested for write-off follow a lengthy process to recover the outstanding money, sometimes dating back many years. Only once all avenues have been exhausted will the council consider writing off debt.
- 4.3 It is acknowledged that given the high volume and value of invoices and bills issued there will always be a requirement to write off an element of debt as uncollectable.
- 4.4 The Council expects to receive approximately £120m in Non-Domestic Rates annually, £130m for Council Tax, and in excess of £90m of sundry debt income. As a result of activity on this scale, the Council recovers millions of pounds every year relating to previous years' debt, sometimes dating back several years, due to persistent recovery activity.

Despite our best endeavours, it is inevitable that a small percentage of debt will remain uncollected and will ultimately have to be written off. There are a number of reasons why this happens, with the most common being where a company has gone into liquidation, an individual has been made bankrupt, a debtor has died with no funds available within the estate, or where it has not been possible to trace a debtor.

Writing off irrecoverable debt is a necessary management tool, standard practice and recommended as part of good financial management.

5. CONSULTATION

- 5.1 Information concerning the consultation undertaken is detailed within the attached Cabinet report.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that the Committee will note the attached 'Irrecoverable Debts in Excess of £10,000' Cabinet Report.

7. REASON FOR THE RECOMMENDATION

- 7.1 Reasons for recommendation are detailed within the attached Cabinet report.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Alternative options are detailed within the attached Cabinet report.

9. IMPLICATIONS

Financial Implications

- 9.1 Financial implications are detailed within the attached Cabinet report.

Legal Implications

- 9.2 Financial implications are detailed within the attached Cabinet report.

Equalities Implications

- 9.3 There are no significant equalities implications.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Cabinet Report: Irrecoverable debts in excess of £10,000.

11. APPENDICES

11.1 Appendix A – Cabinet Report: Irrecoverable debts in excess of £10,000.

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