

## North Somerset Council Decision

**Decision Of:** Executive Member for Corporate Services

**With Advice From:** Section 151 Officer

**Directorate:** Corporate Services



**Decision No:** CSD087 2022/23

**Subject:** Write off of Sundry Debts >£10,000 December 2022

**Key Decision:** Yes

**Reason:** The council's current debt recovery and write-off policy states that all write off proposals in excess of £10,000 are to be approved by the Executive Member. All Executive Member decisions are key decisions.

### **Background:**

Each month the Council reviews the balances held on its sundry debt ledger following an extensive process of recovery related actions. In accordance with the Debt Recovery and Write-Off policy the Council may identify a series of invoices or accounts that have been deemed as unrecoverable for various reasons, and seek to write these off, so that they are no longer retained and showing as debtors within the Council's accounts. Examples of potential write-off categories are noted below;

1. Debt balance is non-material and uneconomical to recover
2. Debt not recoverable as customer has entered bankruptcy proceedings
3. Debt not recoverable as Executor has notified of no money within estate
4. Customer gone away and unable to locate
5. Debt over 6 years old and uneconomical to recover
6. Social care related assessment processes

The accounts within this specific decision are all in excess of £10,000 and so have been subject to additional scrutiny in accordance with the debt recovery process and all relate to debts associated with contractual lease arrangements entered into in previous financial years.

Extensive research and activity has been undertaken by Liberata, who provide the Council's core debt recovery service, as well as by those teams within the Council who raised the original invoices. Unfortunately, despite best efforts research shows that the organisations are no longer trading and in existence. Advice has also been sought from the Council's Legal and Property Services who have also concluded that all options have been exhausted and that this debt is unrecoverable.

**Decision:**

To cease recovery actions associated with these debts and approve write-offs within Agresso for the accounts totalling **£116,560.27**

**Reasons:**

All steps within the council's debt recovery policies have been taken and there are no further options available. It is therefore appropriate to write these sums off in accordance with good financial governance principles.

**Options Considered:**

None - all recovery options have been exhausted prior to the write off requested and recommendations are in line with the Council's debt, recovery and write-off policy and other financial strategies.

**Financial Implications:**

**Costs: £116,560.27**

The write off values have been accounted for in relevant revenue budgets and are also supported through credit loss allowance or bad debt considerations. Given that these debts have been chased for several years, the credit loss allowance provision has been increased over time and has reached maximum levels, which means that there will not be a negative financial impact on the Council in the current financial year.

**Legal Powers and Implications:**

All legal recovery options have been exhausted. The proposals are in line with financial regulations.

**Climate Change and Environmental Implications:**

N/A

**Consultation:**

In consultation with the relevant service managers within the Place directorate, debt recovery teams in Liberata, the Finance service and also Legal and Property service teams.

**Risk Management:**

Financial risks have been assessed as part of the Council's integrated financial strategies and the residents' needs have also been considered and taken into account within this proposal.

**Equality Implications:**

Have you undertaken an Equality Impact Assessment? N/A

**Corporate Implications:**

This decision aligns to the requirements of the Council's Constitution and Financial Regulations.

**Appendices:**

None

**Background Papers:**

None

**Signatories:**

**Decision Maker:**

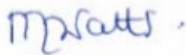


Signed:

Title: Executive Member for Corporate Services

Date: 11 January 2023

**With Advice From:**



Signed:

Title: Head of Finance and Deputy S151 Officer

Date: 11 January 2023