

**ROYAL BOROUGH OF GREENWICH
CALL-IN NOTICE**

DECISION TAKER:

Cabinet

Cabinet Member

Chief Officer

X

DATE OF DECISION: 17th March 2021

ITEM NO AND REPORT TITLE: Write-Off of Irrecoverable Sundry Debt

DECISION TO BE CALLED IN: 1.1

REASON FOR CALL-IN:

Reason for call-in / explanation of alternative decision sought:

This decision seeks to authorise the write-off of four bad debts which between them total almost £1.3 million, following a one-off exercise “carried out to establish the total bad debt position” across the council. In the case of three of the four debts, this relates to the provision of services/a loan to three voluntary sector organisations, all of which are now either in liquidation or administration. In the case of the fourth, a debt owing £326,279.10 to Greenwich CCG (now merged into SE London CCG) this is a residual “unsettled figure” that relates to the fact RBG was unable to produce the required evidence for the full amount raised.

In the case of the three bad debts relating to the voluntary sector organisations (GVAC, WCN and Wide Horizons)

- we accept that in the circumstances there is no alternative but to write these debts off
- However, we would like this Decision to additionally commission a review of the due diligence processes in place for the provision of loans and grants to, and the provision of services to – to reduce the likelihood of such large bad debts in the future.

In the case of the **£326,279.10 bad debt relating to Greenwich CCG** which the report says is in part “due to unavailable data to evidence the full amount raised”, we think this raises serious questions that need to be answered before this debt is written off – and we believe the Leader should seek further reassurance and further work and engagement before this happens.

We note that of this total of £326,279.10:

- £213,370.73 relates to Adults and has occurred due to “missing data relating to 32 clients” entitled to Funded Nursing Care (FNC)
- £112,908.37 relates to Childrens Services – these costs, relating to four re-imbursments of Personal Health Budget and Capital Staff Services, “have been disputed by the CCG and it has not been possible to obtain evidence to support payment”

We believe that these issue require further scrutiny before this Greenwich CCG debt is written off – and that the Leader of the Council should also further request work (and

engagement with the CCG) to make recommendations that will provide full assurance that repeat instances of this situation will be prevented in the future.

ALTERNATIVE DECISION SOUGHT:

Alternative decision sought – alternative wording (our additions in red)

“1.1 Authorise the write-off of **three of** the four bad debts, details of which are included in this report:

- Greenwich Voluntary Action Council (GVAC)
£124,526.38
- Waterways Community Nursery (WCN)
£146,210.93
- Wide Horizons
£700,000.00

“1.2. In addition to writing off these debts, commission an internal review of the due diligence processes in place for the provision of loans and grants to, and provision of paid services to, voluntary sector organisations – with the aim of generating recommendations that will reduce the likelihood of such large bad debts occurring in the future.

“1.3. Request further work (and engagement with SE London CCG as the successor body to Greenwich CCG) before bringing any future decision to write off the £326,279.10 bad debt relating to Greenwich CCG. This should include reviewing how the situation arose that RBG has been unable to produce the evidence required and making recommendations that will provide full assurance that this will be prevented of this occurring in the future.”

A note on the timing of the Call-in Sub Committee meeting - We appreciate that the preparation of the statement of accounts in the required timeframe would benefit from a speedy resolution to this call-in – and both of us would be keen for the Call-in Sub Committee to be convened (virtually due to C19) as quickly as possible to facilitate this. Given the urgency we can make ourselves available at the Sub Committee’s earliest convenience.

Finally a note on wider issues and scrutiny – outside of the confines of this decision, we would also recommend that these wider issues are addressed through the forthcoming Corporate Performance Scrutiny Panel Work Programme.

Please indicate how you wish the decision to be considered:

Referred to -

Decision Maker

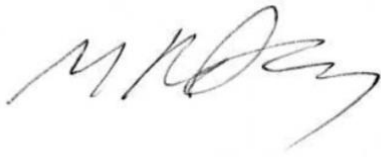
Overview & Scrutiny Call-In Sub-Committee

X

Name: (please print)

Cllr Matt Hartley

Signature:



Seconded: (please print) Cllr Spencer Drury

Signature:



This form must be returned by post, email or hand delivery or fax to the Corporate Governance Manager (on behalf of the Chief Executive) **(020 8921 5134) by 5 pm on the day prior to the fifth working day after publication of the Record of Decisions.**