

APPENDIX 1

Proposed Write off of £139,690 debt

1. Events Brand Events TM Ltd were contacted for unpaid invoices. The council agreed to a payment plan for outstanding debt by direct debit. The payment failed. After a number of unanswered emails officers were made aware by a company representative that Brand Events TM Ltd had gone into administration. Officers then submitted all necessary forms and supporting evidence substantiating the council's claim against the company.
2. Insolvency legislation requires that administrators provide creditors with an update report every six months. The latest progress report from the administrators was received in January 2024. The report states that amongst Brand Events TM Ltd debts there is a £1.1 million owed to HMRC and their assets and cash are not sufficient to cover this, even less so unsecured creditors such as Southwark Council and therefore this debt is now deemed unrecoverable, and write-off is recommended by the council's Culture Business Unit. The proposed write-offs is three unpaid invoices at a total cost of £139,690.91.
3. The council's constitution sets the write-off of debts above £50,000 must be referred to Cabinet for authorisation. The write off has been complied with in accordance with the council's agreed policy and procedures. There is sufficient provision for bad debts available to contain this debt write-off.
4. In order to mitigate against any further events of this nature and improve the process going forward, officers have introduced checks on outstanding debt to be carried out before processing any event application so that these are not progressed until the event operator companies have settled any outstanding balance. In addition, a stringent non-refundable advanced deposits system for major and large events has been introduced as follows:
 - 20% of total hire fee is due upon issue of a letter of agreement in principle – this is non-refundable if event operator withdraws application from this point.
 - A further 30% of total hire fee is due six months prior to the event's first day on site and this is also non-refundable even if event operator withdraws the application or cancels the event from this point.
 - Final 50% balance is due 28 days prior to event's first day on site – non-refundable from this point if operator withdraws application or cancels event.

