

**To: Single Executive Member**

**Date: 27<sup>th</sup> September 2012**

**Item No:**

**Report of: Head of Customer Services**

**Title of Report: Write off of uncollectable debts**

## **Summary and Recommendations**

**Purpose of report:** To agree write-off of debts in excess of £10,000 for business debts and £5,000 for non-business debts.

**Key decision:** No

**Executive lead member:** Councillor E Turner

**Policy Framework: Finance Rules in Constitution**

**Recommendation(s):**

That the amounts shown in the body of this report be written off subject to the proviso that if new information or payments are received, the debts written-off will be resurrected and credits applied.

Appendices to report – Appendix A - Risk Register

## 1. Introduction

The cases submitted for write off are shown below, indicating the type of write off, the reason and the amount.

## 2. Business Rates – Accounts Submitted for Write-Off.

Insolvency – Company dissolved	Culpepper Uk Ltd 7 New Inn Hall Street Account no. 711850062 Period 01/04/10 to 31/03/11	Amount  <b><u>£ 19,630.94</u></b>
Insolvency – Voluntary Arrangement	The Chequers Inn 11 Beaumont Road Account no. 711867916 Period 01/04/08 to 31/03/12	Amount  <b><u>£ 18,553.47</u></b>
Insolvency – Company dissolved	A1 Airport Tyres Ltd Glanville Road Account no. 711881892 Period 01/07/09 to 27/08/11	Amount  <b><u>£ 11,820.80</u></b>
Insolvency – Company dissolved	White House Pubs Ltd 2 Botley Road Account no. 71187988X Period 01/02/10 to 06/12/10	Amount  <b><u>£ 13,454.97</u></b>
Insolvency – Liquidation	Mbutterfly (uk) Ltd 2 Clarendon Centre Account no. 711887213 Period – 01/04/11 to 24/11/11	Amount  <b><u>£ 12,058.52</u></b>
Insolvency – Administration	Past Times Trading Ltd (In Administration) 10 Westgate Account no. 711893845 Period 16/09/11 to 16/01/12	Amount  <b><u>£ 14,858.37</u></b>
	<b>Total</b>	<b><u>£ 90,377.07</u></b>

### 3. Council Tax - Accounts Submitted for Write-Off

Insolvency – Debt Relief Order	Account no. 600997562 Period 01/04/02 to 15/09/11	Amount  <b><u>£ 6,138.09</u></b>
Debtor Absconded	Account no. 601172210 Period 16/02/99 to 20/11/06	Amount  <b><u>£ 6,042.06</u></b>
Debtor Absconded	Account no. 601447944 Period 01/04/01 to 16/12/06	Amount  <b><u>£ 5,981.95</u></b>
Insolvency – Debt Relief Order	Account no. 603075135 Period 01/04/03 to 31/03/12	Amount  <b><u>£ 8,879.56</u></b>
Insolvency – Debt Relief Order	Account no. 60330440X Period 01/04/03 to 31.04.12	Amount  <b><u>£ 7,451.76</u></b>
Insolvency – Liquidation	Oxford Building & Investment 46 Hythe Bridge Street Account no. 603495209 Period 01/04/01 to 15/05/05	Amount  <b><u>£ 6,162.89</u></b>
Insolvency – Bankruptcy	Account no. 603601891 Period 01/04/05 to 31/03/2011	Amount  <b><u>£ 5,745.47</u></b>
Debtor Absconded	Account no. 60361370X Period 01/04/05 to 29/11/10	Amount  <b><u>£ 5,755.97</u></b>
	<b>Total</b>	<b><u>£ 52,157.75</u></b>

### 4. Overpaid Housing Benefit - Accounts Submitted for Write-Off

Insolvency – Debt Relief Order	Account no. 26620749 Period 06/08/07 to 14/09/09	Amount  <b><u>£ 7,767.35</u></b>
Other – No means to recover outstanding debt	Account no. 26302067 Period 20/01/03 to 05/04/04  Account no. 26302070 Period 18/11/02 to 20/01/03  Account no. 26767929 Period 21/03/11 to 08/08/11	Amount      <b><u>£ 8,756.22</u></b>
Insolvency – Debt Relief Order	Account no. 26661355 Period 22/06/09 to 21/06/10  Account no. 26666651 Period 06/04/09 to 21/ 06/10  Account no. 26708920 Period 13/10/08 to 06/04/09  Account no. 26709505 Period 03/04/06 to 24/07/06	Amount       <b><u>£ 5,140.36</u></b>
Other – No means to recover outstanding debt	Account no. 26350802 Period 21/04/03 to 23/05/05  Account no. 26350792 Period 16/12/02 to 07/04/03  Account no. 26353964 Period 18/10/04 to 16/08/05  Account no. 26471914 Costs	Amount       <b><u>£ 6,956.85</u></b>
Insolvency – Debt Relief Order	Account no. 26331096 Period 06/10/03 to 05/07/04  Account no. 26484846 Period 02/07/07 to 27/08/07	Amount

	<p>Account no. 26559166 Period 22/10/07 to 22/09/08</p> <p>Account no. 26568225 Period 01/09/08 to 09/02/09</p>	<b><u>£ 5,235.87</u></b>
Other – No means to recover outstanding debt	<p>Account no. 26394240 Period 11/03/03 to 20/02/06</p> <p>Account no. 26394240 Period 24/11/03 to 23/02/04</p> <p>Account no. 26423098 Costs</p>	Amount      <b><u>£ 11,359.06</u></b>
Insolvency – Bankruptcy	<p>Account no. 26629753 Period 10/10/05 to 20/08/07</p> <p>Account no. 26629740 Period 31/03/08 to 29/06/09</p> <p>Account no. 26649490 Period 20/09/04 to 30/05/05</p>	Amount      <b><u>£ 22,019.86</u></b>
Other – No means to recover outstanding debt	<p>Account no. 26353359 Period 11/10/99 to 21/08/00</p> <p>Account no. 26353362 Period 02/06/03 to 17/05/04</p> <p>Account no. 26442778 Period 30/10/06 to 15/01/07</p> <p>Account no. 26474830 Period 04/06/07 to 18/06/07</p> <p>Account no. 26501130 Costs</p>	Amount          <b><u>£ 8,813.21</u></b>

Debtor Absconded	Account no. 26415378 Period 05/09/05 to 08/05/06  Account no. 26543347 Period 03/03/08 to 22/09/08	Amount   <b><u>£ 7,386.64</u></b>
Other – No means to recover outstanding debt	Account 26375366 Period 03/05/04 to 14/11/05	Amount  <b><u>£ 5,285.46</u></b>
	<b>Total</b>	<b><u>£ 88,720.88</u></b>

### 3. Resurrection of Debts

- 3.1 If new information or other payments are received, the debts previously written-off will be resurrected and credits will be applied. An additional column has been added into the Provision for Bad Debt table in 4.1 of this report to show the amount of payments that have been received in this financial year in respect of debts that have been previously written off.

### 4. Provisions for Bad Debts

- 4.1 The information below gives details, by category, the provisions for bad debt within the General Fund at the beginning of the financial year, write-offs approved to date in 2012/2013 and what provisions will remain if the write-offs listed above are approved.

#### General Fund

Debt Type	Provision at 1/4/11	Written-off to date	Credits written back to date	Remaining Provision	Amount Requested	Projected Balance
Business Rates	£1,865,915	£71,202.59	£938.15	£1,795,650.56	£90,377.07	£1,705,273.49
Council Tax	£2,645,708	£114,617.37	£6,592.71	£2,537,683.34	£52,157.75	£2,485,525.59
Overpaid Housing	£3,151,928	£30,315.53	£1,058.12	£3,122,670.59	£88,720.88	£3,033,949.71

Benefit						
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**5.0 Risk Assessments**

5.1 A risk assessment has been undertaken and the risk register is attached at Appendix A. All risks have been mitigated to an acceptable level.

**6.0 Climate Change**

6.1 There are no comments in respect of Climate Change.

**7. Equalities Impact**

7.1 In conjunction with the Equalities Projects Officer it has been agreed there is no Equalities Impact in respect of this report.

**8. Legal Implications**

8.1 There are no legal implications.

**9. Financial Implications**

9.1 There are no comments to be made by the Finance Service.

**Name and contact details of author:-**

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**List of background papers: None**

**Version number:**

Appendix A

Write Off of Uncollectible Debt Risk Register

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid	Monitoring Effectiveness	Current Risk					
Risk Score <b>Impact Score:</b> 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Almost Certain <b>Probability Score:</b> 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 =															
1	Once written off, debt needs to be re-instated  Transforming Oxford City council by improving value for money and service performance	I 1	P 3	New information or payment received.	Debt resurrected.  Mitigation effectiveness: high	I 1	P 3	Action: Monitoring of payments and information received on closed accounts  Action Owner: Anne Harvey-Lynch  Mitigating Control: Control Owner: Anne Harvey-Lynch	Outcome required:  Ensure that written-off debts are monitored for payments and new information and resurrected if required  Milestone date: Monthly	Q 1	Q 2	Q 3	Q 4	I	P

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