

## Report of Head of Customer Services

To: City Executive Board

Date: 3<sup>rd</sup> March 2010

Item No:

Title of Report: WRITE OFF REPORT OF UNCOLLECTABLE DEBTS

### Summary and Recommendations

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

**Key decision:** No

**Executive Lead Member:** Councillor E Turner

**Report Approved by:**

**Legal:** Jeremy Thomas

**Finance:** Emma Burson

**Policy Framework:**

**Recommendation(s):**

The Board is asked to approve the writing-off of the amounts shown.

## 1. Introduction

- 1.1 The cases submitted for write off are presented in accordance with the debt write off policy agreed by Executive Board on 5<sup>th</sup> April 2004. All reasonable steps have been taken by officers to collect the debt. Factors affecting the decision for write off include the age, size and nature of the debt and whether it is economical to pursue.
- 1.2 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	Account no. 711859482 Period Balance outstanding up to 04/06/08	Amount  <b><u>£ 20,796.73</u></b>
Debtor Absconded	Account no. 71184864X Period 25/04/05 to 04/09/06	Amount  <b><u>£ 18,315.01</u></b>
Debtor Deceased – No Estate	Account no. 707214018 Period 01/10/93 to 24/04/98 Account no. 709237414 Period: 09/05/97 to 01/02/02	Amount  <b><u>£ 11,500.00</u></b>  <b><u>£ 14,577.11</u></b>
Insolvency – Liquidation	Account no. 711863674 Period –01/04/08 to 02/03/09	Amount:  <b><u>£ 41,115.75</u></b>
Insolvency – Liquidation	Account no. 711878623 Period –11/11/09 to 01/12/09	Amount  <b><u>£ 3,056.16</u></b>
	<b>Total</b>	<b><u>£109,360.76</u></b>

**3. Periodic Rent - Accounts Submitted for Write-Off**

Insolvency – Company Dissolved	Account no. 51108108 Period 25/03/08 to 04/06/08	Amount  <b><u>£ 11,076.75</u></b>



debt.		
Other – Confirmation from Home Office, debtor has no leave to remain in UK and is to be deported. No recourse to Public funds therefore unable to recover debt.	Account no. 26560278 Period 20/10/08 to 17/11/08	Amount  <b><u>£ 322.53</u></b>
	Account no. 26583569 Period 18/01/09 to 27/04/09	Amount  <b><u>£ 4,451.72</u></b>
	Account no. 26583572 Period 04/04/07 to 20/10/08	Amount  <b><u>£ 1,263.10</u></b>
Debtor Absconded	Account no. 26356330 Period 06/08/05 to 05/09/05	Amount  <b><u>£ 536.74</u></b>
	Account no. 26417156 Period 14/05/04 to 06/08/05	Amount  <b><u>£ 11,809.33</u></b>
	Account no. 26441546 Period 06/11/06 to 04/12/06	Amount  <b><u>£ 280.00</u></b>
Other – Confirmation from Home Office, debtor has no leave to remain in UK and is to be deported. No recourse to Public funds therefore unable to recover debt.	Account no. 26570226 Period 01/08/05 to 23/02/09	Amount  <b><u>£ 22,206.43</u></b>
	Account no. 26570239 Period 07/05/07 to 04/06/07	Amount  <b><u>£720.00</u></b>
	<b>Total</b>	<b><u>£ 70,922.54</u></b>

## 5. Resurrection of Debts

- 5.1 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 6.1 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.

## 6. Debtors with No Leave to Remain in UK

- 6.1 There are two write-offs where the Home Office has now confirmed that the debtor has no leave to remain in the UK. In both of these cases there was an original entitlement to Job Seekers Allowance which gave rise to Housing Benefit being awarded. This decision has subsequently been reversed by the Department for Work and Pensions.

## 7. Provisions for Bad Debts

- 7.1 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 2009/2010 and what provisions will remain if the write-offs listed above are approved.

### General Fund

Debt Type	Provision at 1/4/09	Written-off to date	Credits written back to date	Remaining Provision	Amount Requested	Projected Balance
Overpaid Housing Benefit	£2,281,784	£68,322.22	£6,051.66	£2,219,513.44	£70,922.54	£2,148,590
Business Rates	£1,439,339	£54,797.05	£0.00	1,384,541.95	£109,360.76	£1,275,181
General Fund	£97,000	£4,075.30	£124.35	£93,049.05	£37,302.49	£55,746

## 8.0 Risk Assessments

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

## 9.0 Climate Change Implications

- 9.1 None.

**10. Equalities Impact**

10.1 None.

**11. Legal Implications**

11.1 None.

**12. Financial Implications**

12.1 None.

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**List of background papers:** **None**

Appendix A

Write Off of Uncollectable 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