

Report of Helen Bishop. Head of Customer Services.

To: City Executive Board

Date: 6th October 2010

Item No: 12

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

The cases submitted for write off are presented in accordance with the debt write off policy agreed by Executive Board on 5th 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.

Key decision: No

Executive Lead Member: Councillor E Turner

Report Approved by:

Legal: Jeremy Thomas

Finance: Penny Gardner

Policy Framework:

Recommendation(s):

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

If new information, or any payments are received, the debts previously written-off will be resurrected and credits applied.

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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 – Liquidation	Account no. 701983213 Period - Balance outstanding for 09/10 and charges from 01/04/10 to 09/06/2010	Amount <u>£5,739.49</u>
	Account no. 702018215 Period 01/04/10 to 09/06/10	Amount <u>£33.87</u>
Insolvency – Liquidation	Account no. 711840127 Period - Balance outstanding up to 22/02/2010	Amount <u>£ 11,285.39</u>
Insolvency – Company dissolved	Account no. 71184166X Period – Balance outstanding for 08/09 and charges from 01/04/10 to 14/01/2010	Amount <u>£ 23,560.37</u>
Other – No means to recover debt	Account no. 711859197 Period – 19/09/06 to 17/01/08	Amount <u>£1,648.33</u>
	Account no. 711618827 Period – Balance outstanding up to 14/05/04	Amount <u>£838.31</u>
	Account no. 711838375 Period – 01/12/03 to 21/06/05	Amount <u>£3,260.93</u>
Insolvency – Company dissolved	Account no. 711863487 Period - 01/04/08 10/12/08	Amount <u>£ 13,254.90</u>

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	Account no. 711863496 Period - 01/04/08 to 10/12/08	Amount <u>£6,713.07</u>
	Account no. 71186345 Period - 01/04/08 to 10/12/08	Amount <u>£30,120.57</u>
Other – Company no longer trading. No means to recover debt.	Account no. 711863665 Period – 01/03/07 to 18/07/08	Amount: <u>£ 18,751.64</u>
Insolvency – Company dissolved	Account no. 711870316 Period – 16/07/08 to 12/09/08	Amount <u>£ 19,271.10</u>
Insolvency – Liquidation	Account no. 711870414 Period – 04/04/08 to 24/06/09	Amount <u>£12,295.09</u>
Insolvency – Company dissolved	Account no. 71187334X Period – 19/10/07 to 19/03/09	Amount <u>£17,005.97</u>
	Total	<u>£163,779.03</u>

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	Account no. 51105425 Rent for the period 29/09/07 to 24/12/07	Amount <u>£1,750.00</u>
	Account no. 51107892 Rent for the period 25/12/07 to 17/01/08	Amount <u>£372.95</u>
	Account no. 51109532 Court costs/interest	Amount <u>£626.25</u>
Insolvency – Liquidation	Account no. 51120004 Rent – outstanding balance for the period 24/06/09 to 28/09/09	Amount <u>£4,275.00</u>
	Account no. 51121969 Rent for the period 29/09/09 to 24/12/09	Amount <u>£16,387.50</u>
	Account no. 51123681 Court costs/interest	Amount <u>£829.82</u>
	Account no. 51123682 Court costs/interest	Amount <u>£276.75</u>
Insolvency – Bankrupt	Account no. 51121653 Rent – outstanding balance for the period 29/09/09 to 24/12/09	Amount <u>£3,000.00</u>
	Account no. 51122992 Rent for the period 25/12/09 to 03/03/10	Amount <u>£2,993.84</u>
	Account no. 51119382 Insurance premium for 08/09	Amount <u>£128.92</u>
	Account no. 51119270 Insurance premium for 07/08	Amount <u>£120.36</u>
	Total	<u>£77,273.45</u>

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

Other – No means to recover debt.	Account no. 26095992 Period 23/12/92 to 31/07/00	Amount <u>£171.63</u>
	Account no. 26096001 Period	Amount <u>£ 4,331.99</u>
	Account no. 26096056 Period	Amount <u>£42,745.02</u>
	Account no. 26096043 Period	Amount <u>£9,884.12</u>
	Account no. 26096030 Period	Amount <u>£5,365.15</u>
	Account no. 26096085	Amount <u>£711.39</u>
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. 26472735 Period 05/01/06 to 06/01/06	Amount <u>£ 29.62</u>
	Account no. 26472722 Period 06/01/06 to 17/07/06	Amount <u>£ 5,971.22</u>
Debtor Absconded	Account no. 26638634 Period 16/07/07 to 22/10/07	Amount <u>£ 1,012.90</u>
	Account no. 26638647 Period 04/06/07 to 16/07/07	Amount <u>£474.42</u>
	Account no. 26638650 Period 22/10/07 to 17/11/08	Amount <u>£4,301.53</u>
Debtor Absconded	Account no. 26519850 Period 17/10/05 to	Amount

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	07/04/08 Account no. 26600604 Period 06/07/09 to 13/07/09	Amount <u>£ 46.08</u>	<u>£ 6,253.54</u>
Debtor Absconded	Account no. 26628521 Period 04/09/06 to 04/05/09	Amount <u>£ 18,330.06</u>	
	Account no. 26661685 Period 19/07/06 to 18/09/06	Amount <u>£ 982.24</u>	
Debtor Deceased – No Estate	Account no. 26348021 Period 09/01/96 to 20/06/05	Amount <u>£ 9,177.70</u>	
	Total		<u>£109,788.61</u>

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 2010/2011 and what provisions will remain if the write-offs listed above are approved.

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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	£2,674,273	£55,744.04	£4,205.48	£2,622,734	£109,788.61	£2,512,945.83
Business Rates	£2,326,498	£43,991.50	£3,486.18	£2,285,992.68	£163,779.03	£2,122,213.65
General Fund	£292,000	£7,040.26	£104.69	£285,064.43	£77,273.45	£207,790.98

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

9.1 There are no comments in respect of Climate Change.

10. Equalities Impact

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

11. Legal Implications

11.1 There are no comments to be made by the Legal Service.

12. Financial Implications

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

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List of background papers: **None**

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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 Impact Score: 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain														
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