

To: City Executive Board

Date: 12th January 2011

Item No: 6

Report of: Helen Bishop. Head of Customer Services

Title of Report: Write Off Report of Uncollectible 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 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

Policy Framework:

Recommendation(s):

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

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

Appendices to report – Appendix A. Write Off of Uncollectible Debt 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	Account no. 711840898 Period – 01/04/06 to 24/06/07	Amount <u>£ 34,936.07</u>
Insolvency – Liquidation	Account no. 71186014X Period – 14/03/06 to 15/05/09	Amount <u>£ 16,509.61</u>
Insolvency – Company dissolved	Account no. 711863360 Period – 01/04/08 to 17/08/10	Amount <u>£ 20,653.48</u>
Insolvency – Liquidation	Account no. 711871053 Period – 12/09/08 to 28/01/09	Amount <u>£ 46,184.17</u>
Insolvency – Liquidation	Account no. 711872818 Period – 18/10/08 to 13/01/10	Amount <u>£ 31,477.63</u>
Insolvency – Liquidation	Account no. 711874541 Period – 29/08/09 to 18/08/09	Amount: <u>£ 69,083.53</u>
Insolvency – Company dissolved	Account no. 711875672 Period – 15/01/09 to 01/03/09	Amount <u>£5,752.85</u>
	Account no. 711875734 Period – 15/01/09 to 01/03/09	Amount <u>£ 1,096.46</u>

	Account no.711875752 Period – 15/10/09 to 01/03/09	Amount <u>£ 1,067.98</u>
	Account no. 711875799 Period – 15/01/09 to 01/03/09	Amount <u>£ 1,224.62</u>
	Account no. 711875814 Period – 15/01/09 to 01/03/09	Amount <u>£ 1,167.66</u>
	Account no. 711875770 Period – 15/01/09 to 01/03/09	Amount <u>£ 2,392.27</u>
Insolvency – Company dissolved	Account no. 71188027X Period – 08/03/10 to 02/07/10	Amount <u>£ 38,249.91</u>
	Total	<u>£ 269,796.24</u>

3. Sundry - Accounts Submitted for Write-Off

Insolvency – Bankrupt	Account no. 51103550, 51103552, 51115796, 51115797. Period – Works in default 2006/07	Amount <u>£ 7,048.03</u>
	Total	<u>£ 7,048.03</u>

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

Debtor Absconded	Account no. 26469227, Period 25/10/04 to 11/09/06	Amount <u>£ 6,536.51</u>
	Account no 26469230 Period 11/09/06 to 28/05/07	Amount <u>£ 591.16</u>
	Account no. 26491826 01/10/07 to 05/11/07	Amount <u>£ 359.60</u>
	Account no. 26497189, 05/11/07 to 10/12/07	Amount <u>£ 127.45</u>
	Account no. 26552710 Period 04/08/08 to 27/10/08	Amount <u>£ 136.59</u>
	Account no. 26668824 Period 11/01/10 to 14/05/10	Amount <u>£ 468.11</u>
Other – No means to recover outstanding debt.	Account no. 26534149 Period 06/11/06 to 04/06/07	Amount <u>£ 7,269.30</u>
	Total	<u>£ 15,488.72</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 of the movements on the General Fund bad debt provision since 1st April 2010 and projects what provisions will remain if the write-offs listed above are approved.

General Fund

Debt Type	Provision at 1/4/10	Written-off to date	Credits written back to date	Remaining Provision	Amount Requested	Projected Balance
Overpaid Housing Benefit	£2,674,273	£269,170.80	£4,205.48	£2,409,307.68	£15,488.72	£2,393,818.96
Business Rates	£2,326,498	£106,749.31	£11,804.22	£2,231,552.91	£269,796.24	£1,961,756.67
General Fund	£292,000	£12,370.92	£203.92	£279,833.00	£7,048.03	£272,784.97

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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Comment [x1]:

List of background papers: None

Version number:

Version number: 1.0
Date

Appendix A

Write Off of Uncollectible Debt Risk Register

No.	Risk Description Link to Corporate Obj	Gros s Risk	I	P	Cause of Risk	Mitigation	Net Risk	I	P	Further Manager Transfer/Accept/F
Risk Score Impact Score: 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Probability Score: Almost Certain										
1	Once written off, debt needs to be re-instated Transforming Oxford City council by improving value for money and service performance	1	1	3	New information or payment received.	Debt resurrected. Mitigation effectiveness: high	1	1	3	Action: Monitoring of pay and information re on closed accoun Action Owner: An Harvey-Lynch Mitigating Control Control Owner: A Harvey-Lynch