

To: City Executive Board

Date: 21st March 2013

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

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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.

Debtor Absconded	Mr M Alauddin 7 Harolde Close Account no. 703102913 Period 01/04/08 to 31/03/10	Amount <u>£ 13,507.50</u>
Insolvency – Liquidation	The Trade Exchange Ltd 121 London Road Account no. 710493116, 71188812X, 711875224, 711876800 Period 01/04/10 to 09/11/12	Amount <u>£ 24,292.71</u>
Insolvency – Company dissolved	Little Wonders Toyshop Ltd 34 St Ebbes Account no. 711842422 Period 01/04/08 to 23/12/09	Amount <u>£ 18,302.72</u>
Debtor Absconded	Mr Ben Scholes The Magdalen Arms, 243 Iffley Road Account no. 711847958 Period 01/04/08 to 10/08/09	Amount <u>£ 15,681.77</u>
Debtor Absconded	Mr D Hedges T/A Fitness Exchange Health Club Oxford Stadium, Sandy Lane Account no. 711852537 Period – 23/12/05 to 30/01/77	Amount <u>£ 35,017.42</u>
Debtor Absconded	Mr Artin Hoxha 162-164 Hollow Way Account no. 711884398 Period 01/07/10 to 05/12/11	Amount <u>£ 13,584.31</u>

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Insolvency – Company dissolved	Rivera Restaurants Ltd 1-2 Folly Bridge Account no. 711885123 Period 19/10/09 to 07/04/11	Amount <u>£ 12,163.15</u>
Debtor Absconded	Usman Rasheed 252 Cowley Road Account no. 711873644 Period 02/07/08 to 31/03/11	Amount <u>£ 15,988.73</u>
Insolvency – Voluntary arrangement	Mr D J Brewerton The Nelson, Cowley Account no. 711876417 Period 01/04/09 to 05/04/12	Amount <u>£ 22,229.37</u>
Insolvency – Company dissolved	Rovacroft Ltd 15 Cornmarket Street Account no. 711877145 Period 15/06/09 to 01/09/10	Amount <u>£ 237,721.71</u>
Other – No Legal Power To Recover	WKV Investments Ltd 145 Magdalen Street Account no. 711886067 Period 20/02/08 to 03/05/10	Amount <u>£ 13,655.89</u>
Debtor Absconded	Mr Paul Thomas & Gerald McKevitt 23 Little Clarendon Street Account no. 711885179 Period 26/10/10 to 23/12/11	Amount <u>£ 11,777.47</u>
Insolvency – Liquidation	The Perch & Company Ltd The Perch, Binsey Lane Account no. 711888756 Period 18/09/08 to 16/11/12	Amount <u>£ 83,221.69</u>
Insolvency – Company dissolved	Newall Management Ltd 18, Westgate Account no. 711893540 Period 07/05/11 to 16/03/12	Amount <u>£ 25,476.28</u>

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Insolvency – Proposal to strike off	Maccinns Taw Ltd Six Bells, Headington Account no. 711894896 Period 28/01/11 to 30/01/12	Amount <u>£ 14,702.42</u>
Insolvency – Proposal to strike off	ABC Pulse Products UK Ltd 24 Westgate Account no. 711895004 Period 01/04/12 to 31/03/12	Amount <u>£ 14,902.47</u>
Insolvency – Liquidation	Perera (London) Ltd 18 Clarendon Centre Account no. 711900178 Period 08/06/12 to 31/03/13	Amount <u>£ 56,721.44</u>
Insolvency – Company dissolved	Bullberry Ltd 15 Westgate Account no. 711900982 Period 10/02/12 to 31/03/13	Amount <u>£ 32,953.76</u>
Debtor Absonded	Mr George & Gean McDermott The Hobgoblin, Cowley Rd Account no. 711901333 Period 01/04/96 to 14/12/98	Amount <u>£ 13,151.93</u>
	Total	<u>£ 675,052.74</u>

3. Council Tax - Accounts Submitted for Write-Off

Insolvency – Debt Relief Order	Account no. 601620753 Period 01/04/02 to 31/03/12	Amount <u>£ 6,575.15</u>
Insolvency – Debt Relief Order	Account no. 601591951 Period 01/04/08 to 15/05/12	Amount <u>£ 5,265.62</u>

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Insolvency – Debt Relief Order	Account no. 603262186 Period 01.04.00 to 31.03.10	Amount <u>£ 6,322.27</u>
	Total	<u>£ 18,163.04</u>

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

Other – No means to recover outstanding debt	Account no. 26177360 Period 25/10/99 to 21/01/12 Account no. 26190716 Period 23/06/97 to 25/10/99 Account no. 26507367 Court costs	Amount <u>£ 9,811.20</u>
Debtor Absconded	Account no. 26551232 Period 05/12/05 to 24/03/08 Account no. 26610788 Period 22/06/09 to 27/07/09	Amount <u>£ 6,006.14</u>
Debtor Absconded	Account no. 26630098 Period 24/11/06 to 11/12/06 Account no. 26630072 Period 15/12/03 to 26/10/09 Account no. 26630056 Period 24/02/07 to 24/08/07 Account no. 26630085 Period 27/06/06 to 09/10/06	Amount <u>£ 21,370.30</u>

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Debtor Deceased – no estate	Account no. 26492333Period 05/04/93 to 30/04/07	Amount <u>£ 14,323.82</u>
Insolvency – Voluntary arrangement	Account no. 26746144 Period 15/09/03 to 24/04/06 Account no. 26746157 Period 24/04/06 to 29/10/07 Account no. 26746160 Period 21/02/11 to 28/03/11 Account no. 2674209 Period 14/10/09 to 19/10/09 Account no. 26746186 Period 19/10/09 to 21/02/11 Account no. 26765426 Period 05/09/11 to 12/09/11 Account no. 26822945 Period 05/05/08 to 14/10/09	Amount <u>£ 52,594.80</u>
Debtor Absconded	Account no. 26750004 Period 18/01/10 to 14/03/11 Account no. 26732556 Period 14/03/11 to 11/04/11	Amount <u>£ 5,399.86</u>
	Total	<u>£ 109,506.12</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 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.

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6. Provisions for Bad Debts

6.1 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 1/4/12	Written-off to date	Credits written back to date	Remaining Provision	Amount Requested	Projected Balance
Business Rates	£1,865,915	£325,324.02	£18,895.45	£1,559,486.43	£675,052.74	£884,433.69
Council Tax	£2,645,708	£385,906.19	£12,757.24	£2,272,559.05	£18,163.04	£2,254,396.01
Overpaid Housing Benefit	£3,151,928	£268,357.00	£9,347.61	£2,892,918.61	£109,506.12	£2,783,412.49

7.0 Risk Assessments

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

8.0 Climate Change

8.1 There are no comments in respect of Climate Change.

9. Equalities Impact

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

10. Legal Implications

10.1 There are no legal implications.

11. Financial Implications

11.1 The write off of bad debts is charged to a provision specifically set up for this purpose, which cushions the effect on the Council's revenue accounts and Collection Fund.

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Name and contact details of author:-

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List of background papers: None

Version number:

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