

WIRRAL COUNCIL

CABINET

6 NOVEMBER 2014

SUBJECT	SUNDRY DEBTOR (DASS) WRITE-OFFS
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 This report recommends the writing off of £130,137.36 in outstanding client contributions. This is part of the process of the ongoing review and cleansing of all long outstanding DASS debt identified in the Independent Report by Eugene Sullivan considered by 23 May 2013 Cabinet.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The total historical debt at the time of the Sullivan Report relating to outstanding client contributions and now processed by the Collection and Recovery Team within the Personal Finance Unit is shown below. Work remains ongoing in this section as well as in liaison with the Head of Legal Services staff.

Written off to date	£2,812,410.08
Paid In Full	£1,703,565.00
Part Paid	£702,894.08
Instalments arranged	£134,563.75
Cancelled Debt	£321,267.49
Referred to Legal Services	£920,306.74
TOTAL PROCESSED DEBT	£6,595,007.14

- 2.2 Progress on the historical debt will be monitored in order to establish the optimum structure for a permanent recovery team.
- 2.3 Write-off values covered by this report are summarised below;

Outstanding client contribution debts under £1000

Write off description	Number of cases	Value (£'s)
Write off - irrecoverable	29	9,409.98
Write off statute barred	11	3,103.25
Write off - deceased	21	7,329.04
Total	61	19,842.27

Outstanding client contribution £10000 or over but under £5000
(permission is sought from Cabinet to write off these debts)

Write off description	Number of cases	Value (£'s)
Write off - irrecoverable	19	47,809.85
Write off statute barred	3	4,606.37
Write off - deceased	5	10,179.91
Total	27	62,596.13

Outstanding client contribution debts over £5000
(permission is sought from Cabinet to write off these debts)
Further details of these debts are provided at appendix A

Write off description	Number of cases	Value (£'s)
Write off statute barred	1	23,033.45
Write off - deceased	1	24,665.51
Total	2	47,698.96

Summary Total:

Write off amounts	Number of cases	Value (£'s)
Over £5000	2	47,698.96
Over £1000	27	62,596.13
Under £1000	61	19,842.27
Total	90	130,137.36

3.0 RELEVANT RISKS

- 3.1 If debts are not written off they have the potential to inflate what might be thought collectable.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The Collection and Recovery Team has already endeavoured to recover the outstanding client contribution debts without success.

5.0 CONSULTATION

- 5.1 Relevant officers of the Council have been consulted in preparing this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly from this report.

7. OUTSTANDING PREVIOUSLY APPROVED ACTIONS

7.1. This report relates to the ongoing work implementing proposals from the Cabinet report of 23 May 2013.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Following the reports to Cabinet on 23 May 2013 staffing resources within the Social Services PFU Team were temporarily increased in order to improve income recovery.

7.2 Debts written off as irrecoverable are charged against the Council provision for bad debts which is reviewed annually in accordance with the requirements of accounting practice. As detailed in the revenue out-turn report the provision at 31 March 2014 was £7.2 million which compares to £10.9million at 31 March 2013.

7.3. There are no IT staffing or assets implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 Those debts recommended for write-off have been agreed by the Head of Legal and Member Services.

9.0 EQUALITIES IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATIONS

12.1 That the report is noted and the debts written-off as detailed in the report.

13.0 REASONS FOR RECOMMENDATIONS

13.1 Members are aware of the collection activity undertaken in these areas and that sums written off are approved under delegation or by Cabinet.

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APPENDIX

Listing of proposed debts to be written off

SUBJECT HISTORY

Council Meeting	Date
Cabinet - Collection Summary 2011/12	21 June 2012
Cabinet - Collection Summary 2012/13	13 June 2013
Cabinet - Collection Summary 2013/14	07 July 2014

APPENDIX 1

DASS CLIENT CONTRIBUTIONS WRITE OFF OF DEBTS OVER £5,000

Outstanding	AR Write Off reason	Number
£24,665.51	Deceased	1
£23,033.45	Statute Barred	2

Case Details

- 1 Client deceased. Probate search completed no results found and unable to trace any of client's family. Son of client previously in contact with Council prior to client's death but made no effort to pay any outstanding invoices and sold client's property without informing the Council (as property jointly owned). Without a named executor there is no person to pursue legally for the debt. No realistic prospect of recovery therefore the debt is recommended for write off.
- 2 Client deceased and unable to trace next of kin (believed to be client's brother). On title search property shown as sold in 2009 thus little prospect of recovery. All of outstanding debt is now statute barred.