

WIRRAL COUNCIL

CABINET

15 JANUARY 2015

SUBJECT	SUNDRY DEBTOR 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 £192,100.00 in outstanding client contributions and is part of the process of cleansing the long outstanding DASS debt indentified in the Independent Report by Eugene Sullivan considered by 23rd May 2013 Cabinet.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The total historical debt relating to outstanding client contributions 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	£3,004,510.01
Paid In Full	£1,777,282.94
Part Paid	£731,385.97
Instalments arranged	£134,563.75
Cancelled Debt	£327,626.45
Referred to Legal Services	£1,031,727.64
TOTAL PROCESSED DEBT	£7,007,096.76

- 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 are summarised below

Outstanding client contribution debts under £1000.00

Write off description	No of cases	Value (£'s)
Write off - irrecoverable	17	7,187.65
Write off statute barred	1	573.80
Write off - deceased	10	4,714.93
Total	28	12,476.38

Outstanding client contribution £1000.00 or over but under £5000.00
(permission is sought from Cabinet to write off these debts)

Write off description	No of cases	Value (£'s)
Write off - irrecoverable	22	53,691.84
Write off statute barred	1	1,967.10
Write off - deceased	4	10,094.56
Total	27	65,753.50

Outstanding client contribution debts over £5000.00
(permission is sought from Cabinet to write off these debts)
Further details are provided at appendix A)

Write off description	No of cases	Value (£'s)
Write off - irrecoverable	10	96,848.18
Write off statute barred	1	10,696.89
Write off - deceased	1	6,324.98
Total	12	113,870.10

Summary Total:

Write off amounts	No of cases	Value (£'s)
Over £5000.00	12	113,870.10
Over £1000.00	27	65,753.50
Under £1000.00	28	12,476.38
Total	67	192,100.00

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.

7.0 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.

8.2 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 the £10.9 million at 31 March 2013.

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

9.0 LEGAL IMPLICATIONS

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

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATIONS

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

14.0 REASONS FOR RECOMMENDATIONS

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

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APPENDIX

Listing of proposed debts (which amount to £5000.00 or more) to be written off

SUBJECT HISTORY

Council Meeting	Date
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	Write Off reason	Number
£22,886.22	Irrecoverable	1
£11,632.96	Irrecoverable	2
£11,567.87	Irrecoverable	3
£10,696.89	Statute Barred	4
£8,969.12	Irrecoverable	5
£8,242.62	Irrecoverable	6
£7,836.51	Irrecoverable	7
£7,610.35	Irrecoverable	8
£7,289.68	Irrecoverable	9
£6,324.98	Deceased	10
£5,599.68	Irrecoverable	11
£5,213.17	Irrecoverable	12

Case Details

- 1 Decision by DASS Head of Service that due to client / family not being informed of the need to pay top up and client contribution, debt should be written off. Period during which debt accrued was 13.3.13 to 7.9.14
- 2 Debt did not take into account disability related expenditure and there are no funds available to pay. Period during which debt was accrued was 3.3.03 to 19.10.14
- 3 Client deceased – no estate, no will and no executor to pursue. Period during which debt accrued was 21.8.11 to 22.1.14
- 4 Debt Statute Barred. Period during which debt accrued was 4.6.03 to 6.10.04
- 5 Client deceased, no executor/representative from whom to recover debt. Period during which debt accrued was 31.8.12 to 18.6.13
- 6 Client visited by service to discuss debt and has no capital funds or savings available to pay. All other income is accounted for apart from Disabled Living Allowance used to cover client's transport to and from voluntary work. Period during which debt accrued was 16.8.10 to 5.5.13
- 7 Client in receipt of welfare benefits only and doubt as to capacity to deal with financial affairs, debt recommended to be not pursued and should be written off. Period during which debt accrued was 4.9.09 to 18.3.14
- 8 Client's financial affairs are identified as not having been previously appropriately managed, WBC now the appointee and this is debt prior to that which is viewed as irrecoverable due to client financial position. Period during which debt accrued was 30.3.09 to 20.4.14
- 9 Client deceased. No estate, no will and no representative to pursue. Period during which debt accrued was 1.2.12 to 22.2.13
- 10 Client deceased. No estate, no will and no representative to pursue.

Period during which debt accrued was 18.1.11 to 9.6.14

11 Client was not charged for services during lifetime and confirmed that executor not notified of charges prior to estate being distributed. Period during which debt accrued was 9.4.12 to 1.7.13

12 Client lacks capacity to deal with financial affairs. WBC now appointee. This debt is prior to that, viewed as irrecoverable due to financial position. Period during which debt accrued was 13.2.12 to 31.5.13