

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Cabinet

**Date of Committee** 12th January 2006

**Report Title** Department of PTES – Irrecoverable Debts

**Summary** This report requests that Cabinet approves the write-off a number of debts each in excess of £1,000, where Legal Services have advised that these debts are not recoverable.

**For further information please contact** John Robinson  
Financial Services Manager  
Tel. 01926 412091

**Would the recommended decision be contrary to the Budget and Policy Framework?** Yes/No  
  
None.

**Background Papers**

**CONSULTATION ALREADY UNDERTAKEN:-** *Details to be specified*

- Other Committees  .....
- Local Member(s)  .....  
(With brief comments, if appropriate)
- Other Elected Members  Councillor C K N Browne } for information  
Councillor Mrs S E Boad }  
Councillor Mrs J Lea }
- Cabinet Member  Councillor M Heatley  
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)
- Chief Executive  .....
- Legal  P Endall – agreed.
- Finance  O Winters – comments incorporated.
- Other Chief Officers  .....

- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION**

**YES/NO** (If 'No' complete Suggested Next Steps)

**SUGGESTED NEXT STEPS :**

*Details to be specified*

- Further consideration by this Committee  .....
- To Council  .....
- To Cabinet  .....
- To an O & S Committee  .....
- To an Area Committee  .....
- Further Consultation  .....

**Cabinet – 12th January 2006**

**Department of PTES – Irrecoverable Debts**

**Report of the Strategic Director of Environment and  
Economy**

**Recommendation**

That Cabinet agrees to the write-off of the seven irrecoverable debts valued at £26,425.

**1. Introduction**

- 1.1 The County Council has a comprehensive debtor control system known as ASH.
- 1.2 Planning, Transport and Economic Strategy's (PTES) Financial Services group administers the ASH system as well as all associated debt recovery procedures, prior to passing to Legal Services for further action.
- 1.3. Monthly reports are produced which monitor debt levels and these are reviewed by the Income Manager and Credit Controller. In addition, Financial Services circulate regular reports on outstanding debt levels to the Departmental Management Team.
- 1.4 Although these measures have resulted in significant improvements in the management of outstanding debts, it is inevitable that some bad debts do arise and it is therefore necessary to write them out of the accounts. As these debts are written off against the bad debt provision built up in previous years there is no charge to the revenue account during the year of write-off.
- 1.5 Financial Regulations require Committee approval to write-off debts in excess of £1,000.

**2. Details of Irrecoverable Debts**

- 2.1 The following debts have been vigorously pursued by PTES but we have now been advised by Legal Services that in their opinion, as the debts relate to companies which are in liquidation, where further legal action is likely to be unsuccessful, or where there are compassionate grounds, they should be written off. The first two relate to sums owed by individuals and the rest are

companies who were assisted via the Department's Small Businesses Loans Scheme.

- 2.2 Mr A Balance Outstanding £1,456.63 - Accident Damage Repair, Little Alne Bridge. The debt was referred to Legal Services in March 2005 and following protracted negotiations with the insurance company, Legal Services have confirmed they are unable to pursue it further.
- 2.3 Mrs B Balance Outstanding £1,227.00 work re Public Footpath Claverdon. Write-off recommended because of the serious ill health of the debtor.
- 2.4 Company A: Balance outstanding £3,877. 48. Company had gone into voluntary liquidation.
- 2.5 Company B: Balance outstanding £6,160.10. Legal Services have been unable to trace the proprietor and have suggested that the debt would not be cost effective to try to recover the balance.
- 2.6 Company C: Balance outstanding £6,114.66. The owner died intestate and it was passed to Legal Services. When probate was granted the estate was declared insolvent.
- 2.7 Company D: Balance outstanding £6,320.54. Company declared insolvent and ceased trading in June 2004. Numerous attempts to recover the balance have been made by Legal Services, defense eventually entered and judge accepted, leading to necessity of a full hearing. This was unlikely to produce a settlement and would have incurred a high cost.
- 2.8 Company E: Balance outstanding £1,268.46. Company became insolvent and ceased to trade in July 2003. Legal Services pursued the owner and initial legal action revealed he had other debts of £100,000 and advised that the chances of recovery were low.

JOHN DEEGAN  
Strategic Director of Environment and Economy  
Shire Hall  
Warwick

23rd December 2005