

AGENDA MANAGEMENT SHEET

Name of Committee Cabinet

Date of Committee 23 February 2006

Report Title Irrecoverable Debts

Summary Authority is requested to write off 39 irrecoverable debts, which the County Solicitor has advised he is unable to pursue any further.

For further information Please contact: Philip Lumley-Holmes Financial Services Manager
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Ravi Virk Head of Debt Prevention, Cashiers and Support Team
Tel: 01926 418657

Would the recommendation decision be contrary to the Budget and Policy Framework? [Please identify relevant plan/budget provision] No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members
- Cabinet Member Cllr Colin Hayfield, Adult and Community Services
- Chief Executive
- Legal Jane Pollard, Assistant County Solicitor, Legal Services
- Finance
- Other Chief Officers
- District Councils
- Health Authority
- Police

Other Bodies/Individuals

FINAL DECISION YES

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 - 23 February 2006

Irrecoverable Debts

Report of the Strategic Director of Adult, Health and
Community Services

Recommendation

That the 39 debts amounting to £122,167.45 be written off as irrecoverable.

1. Introduction

I am currently pursuing a number of outstanding debts with the County Solicitor and at this stage he has advised that in the case of the 39 Debtors listed on the Appendix he is either unable to pursue these any further or it would be uneconomical to do so. I would therefore propose these debts, totalling £122,167.45 be written off as irrecoverable and met from the Provision for Bad Debts of £239,000. For information the Department collects over £20 million income p.a. from clients and other organisations.

2. Every endeavour is made to prevent debts arising. However, the Department has regular meetings with legal colleagues to pursue debts including making arrangements to pay in instalments. It is only as a last resort that we seek Cabinet write off. For the most part the debts have accrued from clients who have since died with little or no resources. In addition, some are where there have been difficulties with appointees or other individuals or family acting on behalf of the clients.

3. In a few cases there are other issues involved and these are outlined further below.

4. *Mrs A* - In this case Mrs A's daughter made a complaint in respect of the care provided for Mrs A to the Commission for Social Care and Inspection (CSCI). She refused to pay charges up to the 4 October 2004, when Mrs A was discharged to hospital and subsequently died. Part of the complaint was upheld and on review of all paperwork legal advice is that the debt is now irrecoverable.

5. *Miss X* – This involved a complaint about advice received. It was concluded that information given by social work staff might have been misinterpreted initially. All ongoing fees are now being paid, but it is proposed to write off outstanding fees up to the resolving of the complaint. In addition staff have been given further advice on the giving of information to clients in order to avoid misinterpretation in the future.
6. *Mrs Z* – Mrs Z's son is responsible for third party charges. Although he signed a contract for a change in rooms he disputes he was made aware that this was at a higher charge. He continued to pay the fee originally agreed, but refused to pay the extra. There is no evidence he was actually informed of the increase and advice is that it is no longer appropriate to pursue this debt.
7. *Mrs A4* – There was a period from April 2000 to November 2000 when there were difficulties finding an appointee. This was further complicated by delays in obtaining information from the Department of works and Pensions. Although there was initial correspondence from Mrs A4's son this ceased. Advocacy Alliance are now acting for Mrs A4 and ongoing bills are being paid. It is now felt inappropriate to pursue the arrears from the earlier period.
8. *Mrs A7* – Mrs A7's son offered to assist with her finances. It became apparent that Mrs A7 was financially abused by her son. Unfortunately Mrs A7 does not have the mental capacity to recognise the above so that it is not possible to bring a case against the son. Advocacy Alliance are now assisting with ongoing financial support, but there are no funds to clear the outstanding debt.
9. *Mrs A11* – In this case correspondence was entered into with solicitors in respect of Mr A11's son who went to Singapore. Eventually, Mr A11 went to live with his son, but there has been no response to correspondence. It is not cost effective to pursue this debt.
10. *Foster Care* – A claim for overpayment to a former foster carer was pursued through the County Courts. Enquiry Agents were instructed but the debtor had changed address. All avenues have been explored.
11. *Salary* – A claim for overpayment to a former employee has been pursued through the County Court. A warrant of execution followed resulting in enough payment to cover court costs. A further warrant was issued but bailiffs indicated there were no assets to be realised

GRAEME BETTS
Strategic Director of Adult, Health and Community Services
Shire Hall
Warwick

Feb 2006

APPENDIX

Client	Amount Outstanding £	Reasons for write off			
		No Resources	Deceased	Appointee Issues	Other Issues
<u>Residential Care</u>					
Mrs A	2,433.21		✓		✓
Mr B	1,583.00	✓			
Mrs C	1,384.37	✓	✓		
Mrs D	1,282.03	✓	✓		
Mrs E	2,688.36	✓	✓		
Mr F	2,305.42	✓	✓		
Mrs G	2,014.59	✓	✓		
Mrs H	1,044.56	✓	✓		
Mrs I	3,590.81		✓	✓	
Mr J	1,723.42	✓			
Mr K	1,527.56	✓	✓		
Mrs L	2,885.12	✓	✓		
Mrs M	1,914.82	✓	✓		
Mr N	3,803.88	✓	✓		
Mrs O	10,631.82	✓	✓		
Mr P	8,526.48			✓	
Mrs Q	1,759.88	✓	✓		
Mr R	2,588.82	✓			
Mrs S	9,077.33	✓	✓	✓	
Mrs T	1,829.10	✓	✓	✓	
Mrs U	1,876.60	✓	✓		
Mr V	2,398.67	✓			
Mrs W	3,469.56	✓			
Miss X	3,523.11				✓
Mr Y	1,044.10	✓	✓		
Mrs Z	3,253.58		✓		✓
Mrs A1	4,012.32	✓	✓	✓	
Mrs A2	4,770.25		✓	✓	
Mr A3	1,325.00	✓	✓		
Mrs A4	3,573.64	✓			✓
Mrs A5	9,994.10			✓	
Mr A6	10,551.42	✓	✓	✓	
Mrs A7	5,551.96	✓			✓

Client	Amount Outstanding £	Reasons for write off			
		No Resources	Deceased	Appointee Issues	Other Issues
<u>Day Care/Transport</u>					
Miss A8	1,568.55	✓			
Mr A9	2,115.52	✓	✓		
Mr A10	1,883.38	✓		✓	
Mr A11	2,207.96				✓
<u>Overpayments</u>					
Foster Carer	3,010.32				✓
Salary	1,437.93				✓
TOTAL WRITE OFF	122,168.45				