

**Proposed Decision to be taken by the
Portfolio Holder for Children's Services
on or after 15 March 2019**

Irrecoverable Debts

Recommendation

It is recommended that the debt detailed in this report, accruing to £4,565.16 is written-off as irrecoverable.

1.0 Key Issues

- 1.1 The Council uses all reasonable means to maximise income collection, prevent arrears arising, and manage outstanding debt effectively. Measures include:-
- Discussing financial arrangements and agreements with customers and their representatives when a service is being agreed so they are aware of their responsibilities
 - Prompt billing and collection of money due
 - Taking court action only after all other reasonable actions by the Council have been exhausted
 - Taking appropriate, proportionate and effective enforcement action
 - Seeking evidence where customers state that there are no funds to pay debts
- 1.2 In 2017/18 WCC invoiced a total of £123.7m, with £103.7m collected, the remainder being pursued. The proposed write-off is less than 0.004% of the value of invoices raised in the last year.
- 1.3 The Council is currently pursuing a number of outstanding debts and in the case of the debt listed in Section 2.0 it has been decided that it would be uneconomical to pursue these further. It is therefore proposed that the debt totalling £4,565.16 is written-off. The Portfolio Holder may approve the write-off of individual debts between £2,000 and £50,000.
- 1.4 The cost of writing-off would be set against the provision for bad debts that the County Council sets aside each year.

2.0 List of cases recommended for write-off

- 2.1 An overpayment of adoption allowances was made to a family in respect of a child with high needs. The total amount overpaid was £17,027.21.

When the overpayment came to light, Mr & Mrs A stated that they had informed the Council of the change in circumstances. The senior Children's Services Managers therefore agreed to reduce the amount owed by deducting allowances for the weekends and holidays; a sum of £4,565.16.

Since October 2016, the adoption allowances in respect of the child had been held back, and a sum of £7,709.07 had accumulated.

Through meetings with the adoption team and Mrs & Mrs A, it was established that the deduction probably should not have been applied. However, Children Services were strongly of the view that the family have gone over and above in caring for their adopted children, and their concern was that if too much financial pressure was put on the family, this may well undermine the placement.

It was agreed that the Council would not renege on the Manager's decision to reduce the debt. This was communicated to the family however they were also informed that the Council was not able to further reduce the debt, whether they paid in instalments or as a lump sum.

The accumulated adoption allowances of £7,709.07 will be retained by the Council, and Mr & Mrs A have agreed to pay the remaining amount of £4,752. They are currently making monthly payments of £141pm and have been making these payments since October 2017.

The service has now reviewed their processes to prevent any future overpayment occurring in the future.

The sum of £4,565.16, which is the amount by which Senior Managers agreed to reduce the debt, is submitted for write off.

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This report was circulated to the following members prior to publication.

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