

**Proposed Decision to be taken by the  
Deputy Leader (Finance & Property)  
on or after 21 July 2017**

**Irrecoverable Debts**

**Recommendation**

That the Deputy Leader (Finance and Property) writes-off as irrecoverable the three debts accruing to £26,064.67 as detailed in this report.

**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 2016/17 WCC invoiced a total of £71.6m, with £64.4m collected. The proposed write-offs are 0.036% 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 three debts listed in Section 2 it has been decided that it would be uneconomical to pursue these further. It is therefore proposed that these debts totalling £26,064.67 are 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 Assure Law Ltd were Warwickshire County Council tenants. There were a number of businesses operating from the Unit occupied by Assure Law Ltd aside from Assure Law Ltd, including Assure Law Developments, Perception

Consultants Ltd and the trading name Lawyers2You, but only Assure Law Ltd was liable under the lease.

In late September 2016, we became aware that Assure Law Developments and Perception Consultants Limited had both gone into Voluntary Liquidation.

Legal Services were consequently contacted and made enquiries of the insolvency firm as to the status of the leaseholder. Whilst Assure Law Ltd were still seemingly still operating, it was clear from the liquidation paperwork of the other companies that their liquidation would likely impact on Assure Law Ltd. Assure Law Developments Ltd, for example listed themselves as owing Assure Law Ltd £40,000 and so it was apparent that Assure Law Ltd would have significant bad debt.

Debts to the Council for rent and service charges amounted to £11,108.33.

Instructions were given to deduct the deposit from the outstanding debt to arrive at the final figure owed by Assure Law Ltd. While this was being done, we received notification of Assure Law Ltd's liquidation on 21 October 2016. The appointment of the liquidator was dated 14 October 2016.

A claim was submitted against the company in liquidation for a total of £8,234.33.

There is nothing we can do to actively pursue the debt owed to Warwickshire County Council and there appears little or no prospect of dividend. It is recommended therefore that the debt of £8,234.33 outstanding from Assure Law Ltd is written off on the ground that the debtor is bankrupt.

- 2.2 There is an outstanding invoice for £11,708.09 dated 21 January 2011 and made out to Alderman Smith School. The invoice is for the lease of gym equipment. Alderman Smith School converted to become The Nuneaton Academy on 1 September 2010. The Agreement for the lease of gym equipment pre-dates the School's conversion to Academy status and the debt was not accounted for in the transfer process. The invoice is not enforceable against the Academy, and the School no longer exists.

The limitation period has also expired.

It is recommended that the debt be written off as it is irrecoverable.

- 2.3 There are 3 outstanding invoices in the name of Eton Community School & Technology College, as follows:

InvoiceNo	OrderNo	Invoiced amount	Outstanding amount
00154997	12305	4,400.0	2,422.82
00180505	11819	1,075.0	1,075.00
00184601	10043	2,678.88	2,624.43
		<b>8,153.88</b>	<b>6,122.25</b>

Two of the invoices are part-paid. One dates back to 2007, the other two from 2008. The limitation period for court action has expired, and in any event the School as an entity no longer exists.

Etone Community School & Technology College became Etone Academy on 1 January 2012. The debt was not taken into consideration as part of its transfer and the Academy therefore has no liability for the debt.

The total of £6,122.25 is therefore recommended for write off as irrecoverable.

### 3.0 Background papers

#### 3.1 None

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This report was circulated to the following members prior to publication

Local Members:

N/A

Other Members:

Cllr Peter Butlin, Cllr Heather Timms, Cllr Parminder Singh Birdi, Cllr Maggie O'Rourke and Cllr Sarah Boad