

Proposed Decision to be taken by the Portfolio Holder for Education and Learning on or after 18th November 2016

Irrecoverable Debts

Recommendation

That the debts detailed in this report, accruing to £7,512.96 are 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 2015/16 WCC invoiced a total of £83.2m, with £76.8m collected, the remainder being pursued. The proposed write-offs totalling £7,512.96 are 0.0001% 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 debts listed in Section 2.0 it has been decided that it would be uneconomical to pursue these further. It is therefore proposed that these debts totalling £7,512.96 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 20000332 - Hollyberries Nursery Ltd - £7,512.96

Hollyberries owed a total of £4,612.96 to Warwickshire County Council across 6 invoices when the company went into insolvency in June 2015. The invoices were for Overpayment of Early Years Funding, Rent, Training Courses, and Provision of Meals.

On 23 September 2015, an email from the insolvency practitioner advised that although the Nursery was still in the early stages of liquidation and they were still collecting assets, based on the information available, it is unlikely there will be any funds available to pay a dividend to any class of creditor.

Hollyberries Nursery did not however fully vacate the Council's premises at Camp Hill Early Years Centre and accrued a further 4 months of rent charges at £750 per month between July and October 2015, amounting to a further £2,900. This additional sum has also been added to our claim against the liquidator, however it appears that the entire sum of £7,512.96 will require write off.

Background papers

None

	Name	Contact Information
Report Author	Craig Fletcher	craigfletcher@warwickshire.gov.uk Telephone number 01926 748828
Head of Service	John Betts	johnbetts@warwickshire.gov.uk Telephone number 01926 412441
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk Telephone number 01926 412564
Portfolio Holder	Heather Timms	cllrtimms@warwickshire.gov.uk Telephone Number 07719548175

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

Councillors Williams, Rickhards, Hayfield, Parsons, Jackson, Caborn