

**Proposed Decision to be taken by the  
Portfolio Holder for Health  
on or after 18 November 2016**

**Irrecoverable Debts**

**Recommendation**

That the three debts detailed in this report, accruing to £8,584.47 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 £8,584.47 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 3 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 £8,584.47 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 Ms A has an outstanding debt of £2,053.82 after foster care allowances were overpaid to her in 2010.

Invoices and reminder letters sparked initial contact from Ms A in June 2010, when she requested 2 weeks to check the dates of overpayment. No further contact was received and subsequent post was returned. Ms A has been traced through a number of addresses since 2010 but none have triggered further contact or payment.

In July 2014 a trace and employment search identified another address for Ms A in Berwickshire, another surname used by Ms A, and identified her as a 'Foster Carer'. A letter was sent to the new address but a call was received from the owner of the property stating Ms A was not known at the address.

As Ms A had been identified as a Foster Carer, Berwickshire Intergrated Children Services were contacted and they indicated that they were also trying to locate Ms A but were able to provide an email address.

A letter before action was sent by email on 28 August 2014. We received no response.

We are unable to trace the debtor, and this debt has now become uneconomical to pursue further.

- 2.2 Ms B was invoiced for £4,378.83 in March 2009. This sum was paid out on behalf of Ms B, a WCC care leaver, in WCC's capacity as guarantor for Ms B in respect of her obligations under a tenancy agreement. Legal Services have looked to form a case to pursue the debt, however staff cannot recall the specifics of the matter, and a copy of the agreement cannot be located. Furthermore, there has been no contact between WCC and Ms B since before the invoice was raised. It is unclear therefore whether WCC is entitled to reclaim these costs. This debt is recommended for write off because we lack sufficient evidence to use in court to prove the debt and the limitation period for court action has also expired.
- 2.3 Ms C was invoiced for £2,151.82 as the sum paid by WCC on behalf of Ms C, a WCC care leaver, in WCC's capacity as guarantor for Ms C. A copy of the Guarantee of Agreement was obtained by Legal Services with a view to pursuing the debt, however it is clear from the Agreement that the Guarantor (WCC) is unable to request reimbursement from the Tenant of any sums paid to the Landlord for loss, damages, costs or other expenses arising either directly or indirectly out of any breach of the Tenancy Agreement by the Tenant. Ms C could raise this as a defence to any claim made. We are considering whether it is possible to amend the standard guarantee agreement to enable reimbursement from the tenant in suitable cases.

## Background papers

None

	<b>Name</b>	<b>Contact Information</b>
Report Authors	Craig Fletcher  Alison Hallworth	craigfletcher@warwickshire.gov.uk  Telephone number 01926 748828  alisonhallworth@warwickshire.gov.uk  Telephone number 01926 476702
Heads of Service	John Betts  Sarah Duxbury	johnbetts@warwickshire.gov.uk  Telephone number 01926 412441  sarahduxbury@warwickshire.gov.uk  Telephone number 01926 412090
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk  Telephone number 01926 412564
Portfolio Holder	Cllr Les Carbon	cllrcaborn@warwickshire.gov.uk  Telephone number 01926 492512

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

Councillors A.Webb, Rolfe, Caborn, Perry