



WOKINGHAM BOROUGH COUNCIL

A Meeting of an **INDIVIDUAL EXECUTIVE MEMBER DECISION** will be held in David Hicks 2 - Civic Offices, Shute End, Wokingham RG40 1BN on **TUESDAY 16 JANUARY 2018 AT 9.30 AM**

A handwritten signature in black ink, appearing to read 'Manjeet Gill'.

Manjeet Gill
Interim Chief Executive
Published on 8 January 2018

This meeting may be filmed for inclusion on the Council's website.

Please note that other people may film, record, tweet or blog from this meeting. The use of these images or recordings is not under the Council's control.



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

For consideration by

Oliver Whittle, Executive Member for Finance

Officers Present

Luciane Bowker, Democratic and Electoral Services Specialist

Sharon Pearce, Service Manager, Income and Payments

IMD NO.	WARD	SUBJECT
1. IMD 2018/03	None Specific	WRITE OFFS OF UNCOLLECTABLE DEBT 5 - 14 Purpose: To approve write off of uncollectable debt

CONTACT OFFICER

Luciane Bowker

Tel

Email

Postal Address

Democratic & Electoral Services Specialist

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Civic Offices, Shute End, Wokingham, RG40 1BN

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Agenda Item IMD3

INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: 2018/03

TITLE	Write-off of Non-Collectable Debt.
DECISION TO BE MADE BY	Executive Member for Finance.
DATE AND TIME	Tuesday 16 January 2018 at 9.30 am
WARD	Non Specific
DIRECTOR	Graham Ebers, Director of Corporate Services
REPORT TO BE PUBLISHED ON	8 January 2018
VENUE	David Hicks 2

OUTCOME / BENEFITS TO THE COMMUNITY

The write-off of a non-collectable debt ensures that Council ledgers are accurate and up to date.

The debt to be written off is in respect of invoices detailed below. Any debt written off has a financial impact on the Council.

RECOMMENDATION

That the Executive Member for Finance agrees to write-off invoices in the sum of £223,732.99 as set out in the table contained in the report

SUMMARY OF REPORT

Woodley Age concern went into Administration on the 5th April 2016 leaving £228,512.21 of debt outstanding. The majority of the invoices were raised in March 2016 and we did not have the opportunity to pursue the debt before they went into Administration.

Background

Wokingham Borough Council block purchased services for day care, and therefore gave its available funds for day care to a small number of providers. From 2011, the self-directed support model was introduced nationally. After an assessment of a customer's needs, the customer had control over their personal budget and this allowed them to choose which service to buy to meet their need and to decide on their provider, rather than limit them to services block purchased.

In order to allow choice, the Council needed to free up its block funding to providers and this was done after extensive consultation, and the block funding was tapered off gradually.

Wokingham Borough Council were notified in early 2014 that Woodley Age Concern were experiencing financial difficulties, and in April 2014 the Council agreed to provide a loan of up to £150,000 and supported them to develop a business plan in order for it to increase its income and gain financial stability. Following a financial review in November 2014, it became apparent that Woodley Age Concern needed further funds. An additional loan of £66,000 was provided.

In February 2016, Wokingham Borough Council and Woodley Age Concern could not agree terms on further support, and the Company sought advice on its ongoing solvency. The recommendation was that Woodley Age Concern could not continue to trade. The Company complied with its statutory duty pursuant to Section 48 of the Care Act 2012 and took over the temporary operation of the day care centre in March 2016.

It is therefore proposed that the following invoices for Woodley Age Concern Customer ID 500008 be written-off:

Invoice number	Date	Invoice Amount	Dividend Paid	O/S Amount	Description
962458	27/4/2014	120.00	120.00	0.00	Non Attendance at Adult Safeguarding L1 Train the Trainer
10051304	10/3/2016	9,529.55	4659.22	4,870.33	Maintenance and servicing cost for Woodley Age Concern
10052066	16/3/2016	66,000.00	0.00	66,000.00	Reclaim payment in advance
10052133	17/3/2016	2,862.66	0.00	2,862.66	Interest on loan of 150,000.00 @ 1.99% 1-4-15 to 16-3-16
10052132	17/3/2016	150,000.00	0.00	150,000.00	Repayment of loan principle
Total		£228,512.21	£4,779.22	£223,732.99	

Total amount of debt outstanding at date of administration was £228,512.21. We have

received a dividend from the Administrators of £4,779.22 and this has been allocated against the oldest invoices, leaving a debt outstanding of £223,732.99, as detailed above.

Analysis of Issues

If the debt is not written off, it will remain as a bad debt outstanding on our records. It is reported monthly as outstanding with no expectation of collecting the debt.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	223,732.99	Yes	Revenue
Next Financial Year (Year 2)			
Following Financial Year (Year 3)			

Other financial information relevant to the Recommendation/Decision

None

Cross-Council Implications

None identified

SUMMARY OF CONSULTATION RESPONSES

Director – Finance and Resources	None
Monitoring Officer	None
Leader of the Council	None

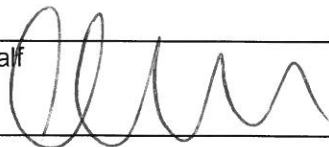
List of Background Papers

Proof of debt
Letter from Administrator
Form 2.23B – Notice of Result from Creditors Meeting

Contact Sharon Pearce	Service Business Services
Telephone No 0118 908 8423	Email Sharon.Pearce@wokingham.gov.uk
Date 1/8/2018	Version No. 1

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PROOF OF DEBT - GENERAL FORM

Woodley Age Concern	
Date of Winding-Up Order / Resolution for voluntary winding up 5 April, 2016	
1. Name of Creditor (If a company please also give company registration number)	Wokingham Borough Council
2. Address of Creditor for correspondence	Council Offices, Shute End, Wokingham, Berks. RG 40 1BN
3. Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£228,512.21
4. Details of any documents by reference to which the debt can be substantiated. [Note there is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]	See attached Copy Invoices
5. If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6. Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	See attached Table detailing debts incurred through Invoices
7. Particulars of any security held, the value of the security, and the date it was given.	
8. Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9. Signature of creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	Sue O'Brien
Position with or in relation to creditor	Rent & Debtors Team Leader, Transactional Finance
Address of person signing (if different from 2 above)	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator

Invoices Due to Wokingham Borough Council

Re – Woodley Age Concern (In Administration)

No 1800 of 2016

Invoice Number	Invoice Date	Invoice Amount	Invoice Narrative
10052132	17/03/2016	£150,000.00	Repayment of Loan Principal
10052066	16/03/2016	£66,000.00	Reclaim Payment in Advance
10051304	10/03/2016	£9,529.55	Maintenance & Servicing Cost for Woodley Age Concern
10052133	17/03/2016	£2,862.66	Interest on Loan of £150,000at 1.99% - Period 1/4/15 to 16/3/16 per schedule
962458	27/04/2014	£120.00	Non Attendance at Adult Safeguarding L1 Train the Trainer – 19/3/14 – Claire Jacobs

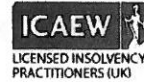
Total Due **£228,512.21**



KRE Corporate Recovery LLP
1st Floor, Hedrich House
14-16 Cross Street
Reading
Berks RG1 1SN

Private and Confidential
To all known creditors

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www.kreocr.co.uk



Peter White
Wokingham Borough Council
Ref:
Civic Offices , Shute End
Wokingham
Berks RG40 1BN

WOODL/PWE/LL

13 June 2016



Dear Sir

Woodley Age Concern – in Administration ('the Company')

Further to the initial meeting of creditors to consider my proposals that were held on 26 May 2016, I enclose a notice of result of meeting, form 2.23B. You will see from this that the meeting approved my proposals.

Two creditors attended the meeting (including Wokingham Borough Council ('WBC') who are the largest creditor) and asked a number of questions specifically relating to the monies owed to them and KRE's involvement with the Company two years ago.

For the record, I can confirm that KRE acted as advisors to the Board for a period of two weeks in 2014; the situation was resolved with no further action required and KRE was not paid for the advice provided to the Company.

WBC also objected to certain information in the proposals relating to the circumstances leading to the appointment of Administrators and have requested that the following statement is issued to the Company's creditors in response to the proposals: -

Historically Wokingham Borough Council block purchased services for day care. This meant giving its available funds for day care to a small number of providers. From 2011 the self-directed support model was introduced nationally. After an assessment of a customer's needs, the customer had control over their personal budget and this allowed them to choose which service to buy to meet their need and decide on the provider, rather than limit them to services block purchased.

In order to allow choice, the Council needed to free up its block funding to providers. This was done after extensive consultation and block funding was tapered off gradually.

The Council was notified in early 2014 that Woodley Age Concern was experiencing financial difficulties. In April 2014, the Council agreed to provide a loan of up to £150,000, and supported it to develop a business plan in order for it to increase its income and gain financial stability.

Following a financial review in November 2014, it became apparent that Woodley Age Concern needed further funds. An additional loan of £66,000 was provided.

In February 2016, the Council and Woodley Age Concern could not agree terms on further support, and therefore, the Company sought advice on its ongoing solvency. The recommendation was that Woodley Age Concern could not continue to trade. The Council complied with its statutory duty pursuant to Section 48 of the Care Act 2012 and took over the temporary operation of the day care centre on 23 March 2016.

Partners: Robert C Keyes | Gareth W Roberts | Paul W Ellison
KRE Corporate Recovery LLP (No OC378666) registered in England and Wales | Registered Office: Burlington House, 1-13 York Road, Maidenhead, Berks, SL6 1SQ

All insolvency practitioners of the firm are authorised to act in this capacity by the Institute of Chartered Accountants in England and Wales
Partners and staff acting as Administrative Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability

As a result of the approval of the proposals, my remuneration for acting as Administrator of the company has been approved on the basis of the time properly spent by me and my staff in dealing with matters relating to the Administration of the company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken capped at £25,000.

I will be writing to you within the next 6 months in order to provide you with an update on the progress of the Administration of the company.

Should you have any queries, please contact Lee Lloyd at the above office.

Yours faithfully



Paul Ellison
Joint Administrator

Licensed to act in the United Kingdom as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales

Enclosure:

- Form 2.23B

The Insolvency Act 1986

2.23B

Notice of result of meeting of Creditors

Name of Company Woodley Age Concern	Company number 07652765
In the High Court <small>(full name of court)</small>	Court case number 1800 of 2016

(a) Insert full name(s) and address(es) of the administrator(s)

I/We (a)

Paul Ellison
 KRE Corporate Recovery LLP
 1st Floor, Hedrich House
 14-16 Cross Street
 Reading
 Berkshire RG1 1SN

Rob Keyes
 KRE Corporate Recovery LLP
 1st Floor, Hedrich House
 14-16 Cross Street
 Reading
 Berkshire RG1 1SN

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of meeting

(b) 1st Floor, Hedrich House, 14-16 Cross Street, Reading, Berks RG1 1SN

(c) Insert date of meeting

on (c) 26 May 2016 at which:

*Delete as applicable

*1. Proposals were approved

(d) Give details of the modifications (if any)

A creditors' committee was not formed

(e) Insert time and date of adjourned meeting
(f) Details of other resolutions passed

Signed

Joint / Administrator(s)

Dated

13/6/16

*Delete as applicable

A copy of the *original proposals / modified proposals / revised proposals is attached for those who did not receive such documents prior to the meeting

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

Paul Ellison KRE Corporate Recovery LLP 1st Floor, Hedrich House 14-16 Cross Street Reading Berks RG1 1SN	
DX Number	01189 479090 DX Exchange

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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