

Name of decision maker:	Councillor Graeme Elliot
Portfolio:	Finance & Resources
Date of Portfolio Holder Decision:	

Title of Decision:	DEBT WRITE OFF
Part I	
Decision made and reasons:	
<p>That the debts detailed in the attached schedule be approved for write off.</p> <p>The write offs will be set against the Council's bad debt provisions.</p> <p>The Council's Financial Regulations require that debts valued at £20,000 and above where in the opinion of the Section 151 Officer there is not a budgetary implication, must be authorised by the Portfolio Holder – Finance & Resources on the advice of the Section 151 Officer and Director.</p>	
Reports considered: (here reference can be made to specific documents)	
Case Papers	
Implications:	
Value for Money: Risk:	
<p>These write-offs are being considered in accordance with the Council's Financial Regulations, and the debts would be uneconomical to collect, are legally irrecoverable, or otherwise now uncollectable</p>	
Officers/Councillors/Ward Councillors/Stakeholders Consulted:	
None	
Monitoring Officer:	
No comments to add to the report	
Deputy Section 151 Officer: This is S151 Officer report. The cost of the write offs will be incurred against the bad debt provision held by the collection fund.	
Options Considered and reasons for rejection:	
Please see the report.	

Portfolio Holders Signature:
Date:

Details of any interests declared and any dispensations given by the Standards Committee:
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For Member Support Officer use only
Date Decision Record Sheet received from portfolio holder:

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Date Decision Published: 14/10/2016	Decision No: PH/026/16
Date of Expiry of Call-In Period: 21/10/2016	
Date any Call-In received or decision implemented:	

BACKGROUND

1. The Council's Financial Regulations make provision for writing off debts that are bad, uneconomical to collect or irrecoverable. Where a debt falls into these categories, it is recommended that the debt be written off so that the Council's accounts reflect the realistic level of recoverable debt.
2. The Council maintains a number of bad debt provisions in the anticipation that some debts will become bad, uneconomical to collect or irrecoverable and write offs are charged to the relevant provision or cost centre.

ACTION TAKEN PRIOR TO WRITE-OFF

3. Prior to debts being considered for write off, extensive work is undertaken to recover the debt. However, when recovery has not been possible a write off needs to be considered.
4. In absconded cases, search and tracing work has been undertaken without successfully identifying the whereabouts of the debtor.
5. With regard to insolvency, the Council's position as an unsecured creditor is a weak one and accordingly, when an insolvency process commences, it is prudent to consider the debt for write off. In the event that a dividend is subsequently paid to creditors, the value of that payment can be written back and reflected in the Council's income.

WRITE OFF CASES

6. Wiladi Limited went into liquidation on 15 April 2016 with application to dissolve the company the same day. Therefore Dacorum Borough Council can take no further recovery action and the debt cannot be pursued any further. A dividend may become available from the receivers which is however unlikely as Business Rates is not a preferred debt.

Bnk Fashion LTD went into liquidation on 21 September 2015 with application to dissolve the company the same day. Therefore again we can take no further recovery action and the debt cannot be pursued any further. A dividend may become available from the receivers which is however unlikely as Business Rates is not a preferred debt.

Ver House Limited went into liquidation on 11 May 2016 having multiple accounts with us totalling over £29,000. Because the overall total exceeds £20,000 I am submitting the report for Portfolio Holder decision. However, like the two companies above, having registered the debt, we can take no further recovery action and the debt cannot be pursued any further. A dividend may become available from the receivers which is however unlikely as Business Rates is not a preferred debt.

ORB Retail Limited –Trading as Anna was made insolvent resulting in the company being dissolved on 17 March 2015. Therefore Dacorum Borough Council can take no further recovery action and the debt cannot be pursued any further. A dividend may become available from the receivers which is however unlikely as Business Rates is not a preferred debt

Fashion Global LTD ceased trading on 5th January 2016 as they went into liquidation and the company was dissolved on 9 August Therefore again we can take no further recovery action and the debt cannot be pursued any further. A dividend may become

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available from the receivers which is however unlikely as Business Rates is not a preferred debt.

7. All supporting evidence and subsequent paperwork has been completed.
8. The cases listed in the schedule to this report have been approved for Portfolio Holder decision by the Section 151 Officer.

Number	Name & Property Address	Reference	Debt	Debt Type	Period of Liability	Write Off Reason/Schedule
1	Wiladi Limited 188-190 Marlowes Hemel Hempstead Herts HP1 1BH	90472785	£26,745.26	Business Rates	17 August 2015-14 April 2016	Insolvency -16 April 2016
2	BNK Fashion LTD 188-190 Marlowes Hemel Hempstead Herts HP1 1BH	9047711x	£29,818.58	Business Rates	9 January 2015-16 August 2015	Insolvency-21 September 2015
3	Ver House Ltd Units, A,B,D,E, Units J1, & A,D, & E Unit D & E Ver House, London Road Markyate St Albans Herts AL3 8JP	Accounts 90456512 90461942 90440094 90440085 9042234x 90422330 9041509x	Total £29,324.37	Business Rates	20 October 2014-24 October 2014 20 October 2014-31 January 2015 20 March 2013-24 June 2013 20 March 2013-19 October 2014 01 August 2012-19 March 2013 01 August 2012-19 March 2013 30 September 2011-12 December2013	Insolvency -11 May 2016
4	Orb retail Limited-T/A Anna 24 Marlowes Shopping Centre Marlowes Hemel Hempstead Herts HP1 1DX	9043999X	£22,922.84	Business Rates	22 October 2013- 4 January 2015	Insolvency Company dissolved 17 March 2015
5	Fashion Global LTD 41 Marlowes Shopping Centre Marlowes HemelHempstead Herts HP1 1DX	90454674	£21,775.90	Business Rates	-28 November 2014-8 August 2016	Insolvency Company was dissolved on 9 August 2016

FUNDING

Following the introduction of the Business Rates Retention Scheme in 2013, write offs are charged directly to the bad debt provision within the collection fund, which is distributed between Government, Dacorum Borough Council and Herts County Council. As such, Dacorum directly shares an element of the cost of write offs, which is currently set at 40%.

Any overall deficit on the collection is capped at 7.5% of baseline funding announced by the Government, known as the 'safety-net' level. As Dacorum currently estimate that it will be already be at safety-net, these proposed write offs will have no financial impact for Dacorum.

NOTES FOR ACCOUNTS

None.