

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

Title of Decision:	DEBT WRITE OFF
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Part I

<p>Decision made and reasons:</p> <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>
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<p>Reports considered: (here reference can be made to specific documents)</p> <p>Case Papers</p>
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<p>Implications:</p> <p>Value for Money: Risk:</p> <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>

<p>Officers/Councillors/Ward Councillors/Stakeholders Consulted:</p> <p>None</p>

<p>Monitoring Officer:</p> <p>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.</p>
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<p>Options Considered and reasons for rejection:</p> <p>Please see the report.</p>

<p>Portfolio Holders Signature:</p> <p>Date:</p>
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<p>Details of any interests declared and any dispensations given by the Standards Committee:</p>

<p align="center">For Member Support Officer use only</p> <p>Date Decision Record Sheet received from portfolio holder:</p>
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Date Decision Published:	Decision No:
Date of Expiry of Call-In Period:	
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. Radha Radha Herts Restaurants Ltd was dissolved on 19 April 2016 following insolvency and therefore no further payment will be received from this company. 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.

Seattle Steaks LTD was dissolved on 27 September 2016 and they had two accounts totalling over £49,000. Because the overall total exceeds £20,000 a report is being submitted for Portfolio Holder decision. The 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.

Herts Restaurants LTD went into liquidation on 30 June 2016, and although Herts Restaurants LTD did not surrender the lease until 18 April 2017, they are exempt from Business Rates from this date until surrender date. With regards to the outstanding balance of £31,352 having registered the debt with the Official Receiver 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

Busy Bodies Business Services LTD went into liquidation on 10 January 2017 and having registered the debt with the Official Receiver the 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.

Mr Saber Khan who was trading as Chutneys Restaurant was made bankrupt on 7th April 2017, with the full Business Rates liability to 31 March 2018 being included in the

order. Having registered the debt with the Official Receiver the Council can take no further recovery action as 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

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	Radha Radha Fusion Nite Club 200, Marlowes Hemel Hempstead Herts HP1 1BH	90436536	£30,659.37	Business Rates	04 February 2013 to 24 April 2014	Insolvency The company was dissolved on 19 April 2016.
2	Seattle Steaks LTD 10, St Johns Road Hemel Hempstead Herts HP1 1JR	90414951	£29,641.17	Business Rates	16 August 2011-24 July 2016	Insolvency Company was dissolved on 27 September 2016
3	Seattle Steaks LTD 1 st Floor, 10 St Johns Road Hemel Hempstead Herts HP1 1JR	9041793x	£19,611.46	Business Rates	16 August 2011-24 July 2016.	Insolvency -. Company was dissolved on 27 September 2016
4	Herts Restaurants LTD No 4 (unit A2) 4 Riverside Hemel Hempstead Herts HP1 1BT	90412182	£31,352.73	Business Rates	03 October 2011-29 June 2016 The lease for this premise was not surrendered until 18 April 2017, however the premise was exempt from 30 June 2016 until the 18 th April 2017.	Insolvency Company due to be dissolved on 5 December 2017
5	Busy Bodies Business Services LTD Part 1 st Floor, 147A Marlowes Hemel Hempstead Herts HP1 1BB	90473664	£34,138.78	Business Rates	16 January 2014-23 July 2015	Insolvency Company went into compulsory liquidation on 10 January 2017.

6	Mr Saber Khan T/A Chutneys Restaurant 79-81 Waterhouse Street Hemel Hempstead Herts HP1 1ED	90324829	£22,763.00	Business Rates	27 January 2005 -31 March 2018	Sole Trader was made Bankrupt 7 th April 2017.
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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.