

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member – Policy and Resources
Date:	5 October 2012
Title:	Write-off of irrecoverable debt
Reference:	4200
Report From:	Director of Culture, Communities and Business Services and Director of Corporate Resources

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1. Executive Summary

- 1.1. The purpose of this paper is to seek approval for the write-off of an irrecoverable debt.
- 1.2. Approval is sought for a debt of £11,833.79 across three invoices in relation to Headstart to be written off.

2. Contextual information

- 2.1. The County Council's financial regulations and procedures set out the approvals for debt write-offs as follows:
 - Up to £1,000 – Chief Officers to record and write off
 - Between £1,000 and £5,000 – write off to be agreed in consultation between the Chief Officer and Director of Corporate Resources
 - Greater than £5,000 – Executive Member approval to be obtained
- 2.2. HC3S operates as a self-funding business unit within the Business Services Group in CCBS.
- 2.3. Milestones museum is a cash limit funded service within the Culture and Heritage Group in CCBS.

3. Finance

- 3.1. Headstart were an event management company who staged a large event at Milestones in March 2005. Milestones and HC3S invoiced Headstart for letting charges, associated electrical work and charges for catering costs totalling £19,804.83. However it became clear that the company was in

financial difficulty and extended payment terms were agreed with the County Council from November 2006.

- 3.2. In August 2008 the County Council was notified that the company had been forced to quit trading, was removed from the Register of Companies and liquidated. A proposal was agreed for settlement at a reduced amount of £12,243.24 (including £7,608.72 already received and a further £4,634.52 to be recovered). This would have required £7,561.59 to be written off.
- 3.3. However attempts to recover the debt on the new terms has led to only a further £362.32 being recovered, meaning £7,971.04 has been paid in total leaving an outstanding debt of £11,833.79. This is attributable to two invoices relating to Milestones totalling £3,165.38 and one invoice of £8,668.41 relating to HC3S.
- 3.4. Advice has been taken from Legal Services and Companies House but unfortunately there is no further action that can be taken to obtain settlement. Companies House have advised that the company was dissolved on 30 March 2010.
- 3.5. Approval is therefore sought to write off the total debt of £11,833.79 relating to the three invoices.

4. Recommendation(s)

- 4.1. That the debt in relation to Headstart of £11,833.79 be written off.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because of the need to write off debts that are irrecoverable.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. The proposal has no impact on equalities.

2. Impact on Crime and Disorder:

2.1. The proposal has no impact on crime and disorder

3. Climate Change:

a) The proposal has no impact on climate change