
SUNDRY DEBT WRITE OFF – BEAUNE PROPERTIES LTD

Report by Director – Finance & Corporate Governance

EXECUTIVE COMMITTEE

8th February 2022

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to inform the committee of an outstanding sundry debt for Beaune Properties Ltd, and to request approval to write this debt off against the existing balance sheet provision.**
- 1.2 Appendix 1 contains a statement of account for Beaune Properties Ltd.**

2 RECOMMENDATIONS

- 2.1 I recommend that the Executive Committee approves the write off amount of outstanding sundry debt for Beaune Properties Ltd amounting to £100,731.45.**

3 BACKGROUND

- 3.1 An account in the name of Beaune Properties (Customer Id 24664) was opened in October 2008 and an invoice was raised for £2,050.74. This charge was for the provision of boarding to secure the site at Harriers Hut, Bath Street, Hawick.
- 3.2 Another account in the name of Beaune Properties Ltd was also opened in October 2008 (Customer Id 24545). A further 24 invoices were raised on this account from October 2008 to May 2015 totalling £99,680.71. These charges were to stabilise a dangerous building and enforcement works at Wilton Mill, Commercial Road, Hawick.
- 3.3 Court proceedings were raised against Beaune Properties in 2010/11. These proceedings were defended by the company and with a view to avoid going to a full evidential hearing the Court asked both parties to go to mediation.
- 3.4 Mediation took place in 2012 where a qualified mediator oversaw the meeting. The meeting was attended by Senior Officers from SBC and representatives from Beaune Properties. The outcome agreed was for Beaune Properties to pay SBC the sum of £40,000 in full and final settlement of all sums due with the agreement drawn up in the names of Beaune Properties Ltd and Beaune Properties North Limited.
- 3.5 This agreement was transferred at a later date to Beaune Properties North Ltd alone and Beaune Properties Ltd was dissolved in September 2013.
- 3.6 Despite entering into the mediation agreement Beaune Properties North Limited failed to make the agreed payment of £40,000. All correspondence seeking payment of the sum were met with responses asking for further time to pay and then subsequently wanting to enter into further discussion on the amount that was agreed to be paid.
- 3.7 No payment was received from Beaune Properties North Ltd and they were dissolved in August 2016.

4 THE DEBT RECOVERY POLICY

- 4.1 The Director, Finance & Corporate Governance has responsibility, under Section 95 of The Local Government (Scotland Act) 1973, for the proper administration of the financial affairs of the Council. One such area of administration is that relating to Sundry Debtors.
- 4.2 The powers for writing off debts are contained within the Council's Financial Regulations and Scheme of Delegation. These powers are delegated to the Director, Finance & Corporate Governance who, for practical reasons, may delegate authority to Officers within the Finance Department to approve individual write off amounts up to a pre-determined level. The Director, Finance & Corporate Governance has delegated authority to write off amounts up to £100k. Any potential write off greater than £100k has to be approved by Elected Members.

- 4.3 In respect of this debt, the circumstances for the debt being irrecoverable and appropriate for write off are the debtor is insolvent (bankrupt, in liquidation or in administrative receivership).

5 IMPLICATIONS

5.1 Financial

The implications of writing this debt off are a cost to the Council of £100,731.45 which will be charged against the existing write off provision for sundry debt.

5.2 Risk and Mitigations

This debt is irrecoverable and therefore, within the guidance of the Debt Recovery Policy, should be written off the ledger.

5.3 Integrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine paper in compliance with an existing policy which forms part of the financial governance of the Council. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

5.4 Sustainable Development Goals

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability policy.

5.5 Climate Change

There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

5.7 Data Protection Impact Statement

There is no personal data implication arising from the proposals contained in this report.

5.8 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

6 CONSULTATION

- 6.1 Director – Finance & Corporate Governance, The Chief Legal Officer (including as Monitoring Officer), the Chief Officer Audit and Risk, Director People Performance & Change, Communications and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson
Director Finance & Corporate Governance

Signature.....

Author(s)

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Background Papers:

Previous Minute Reference: not applicable

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APPENDIX 1

Beaune Properties Ltd – Customer ID's 24545 & 24664

Cust Id	Inv Date	Inv Ref	Description	Amount
24545	03/10/2008	PLV19053	Enforcement Works	£20,181.57
	28/11/2008	PLV19141	Enforcement Works	£2,523.11
	13/02/2009	PLV19272	Enforcement Works	£3,154.70
	15/04/2009	PLV19362	Enforcement Works	£1,971.69
	21/04/2009	PLV19378	Enforcement Works	£3,549.04
	29/05/2009	PLV19424	Enforcement Works	£1,577.35
	21/07/2009	PLV19624	Enforcement Works	£1,577.35
	27/08/2009	PLV19683	Enforcement Works	£3,774.62
	09/12/2009	PLV19830	Enforcement Works	£5,126.39
	17/02/2010	PLV19923	Enforcement Works	£1,971.69
	17/03/2010	PLV19977	Enforcement Works	£3,154.70
	19/05/2010	PLV20066	Enforcement Works	£5,147.23
	08/09/2010	PLV20213	Enforcement Works	£1,583.76
	08/11/2010	PLV20429	Enforcement Works	£1,583.76
	08/11/2010	PLV20430	Enforcement Works	£3,959.41
	15/12/2010	PLV20510	Enforcement Works	£1,979.71
	19/01/2011	PLV20591	Enforcement Works	£2,782.81
	28/01/2011	PLV20605	Enforcement Works	£5,168.07
	10/03/2011	PLV20659	Enforcement Works	£1,590.18
	13/04/2011	PLV20746	Enforcement Works	£3,577.90
	15/06/2011	PLV20800	Enforcement Works	£2,385.26
	10/01/2012	PLV21200	Enforcement Works	£8,745.97
	20/03/2014	TCV60297	Enforcement Works	£416.64
	15/05/2015	TCV66131	Enforcement Works	£12,197.80
			Sub total	£99,680.71
24664	03/10/2008	PLV19039	Works to secure site	£1,050.74
			Sub total	£1,050.74
			Total Outstanding	£100,731.45