

## CABINET

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| <b>Date of Meeting</b> | Tuesday, 19 <sup>th</sup> November 2024         |
| <b>Report Subject</b>  | Bromborough plastics – Update report            |
| <b>Cabinet Member</b>  | Cabinet Member for Corporate Services           |
| <b>Report Author</b>   | Corporate Manager, Capital Programme and Assets |
| <b>Type of Report</b>  | Operational                                     |

### EXECUTIVE SUMMARY

On 20<sup>th</sup> June 2023, Cabinet considered (and approved) under the Financial Procedure Rules (section 5.2) to write off debts to the Commercial Rent debt for Bromborough Plastics Limited to the value of £56,000.

This proposal was based on legal advice and was a pragmatic way forward to recover some of the debt, and ensure the site is cleared and vacated in readiness and in a timely manner for the proposed Welsh Government acquisition.

Supplementary legal advice was to continue to invoice the tenant as a contingency plan as it provided the Council an improved legal platform should the tenant not move out as planned.

The report summarises the situation, confirms that officers followed legal advice, the Tenant vacated the site as planned and the deed of surrender executed. Therefore, the contingency plan was not required.

### RECOMMENDATIONS

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| 1 | That Cabinet review the report and confirm that it support the write off of the debt as noted in para 2.02 |
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## **REPORT DETAILS**

| <b>1.00</b> | <b>EXPLAINING THE BACKGROUND TO THE WRITE OFF</b>  |
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| 1.01        | In a report dated 20th June 2023 Cabinet agreed to write off circa £56,000 of debt and as part of an agreement (to be included within a Deed of Surrender) with the company they would pay the Council £10,000 and in due course vacate and importantly clear the former Queensferry Depot site.   |
| 1.02        | Alongside the proposal to write-off of most of the debt, the Deed of Surrender, drafted by the Council's Legal Team endeavoured to ensure that the occupier shall fully clear the site of all waste materials and other items associated with their business.  |
| 1.03        | Supplementary legal advice at the time (which as legally privileged information), was despite moving forward the deed of surrender, advice was to continue invoicing Bromborough Plastics until the deed of surrender was executed. This was a contingency position designed to protect the Council's legal position should Bromborough plastics do not vacate the site as planned and the matter moved to further litigation. |
| 1.04        | Bromborough plastics have now cleared and vacated the site, the deed of surrender has been executed and the money due to the Council has been deposited with our legal representatives. Therefore, the contingency position was not required as the scenario of the tenant not vacating and cleaning the site did not materialise.   |
| 1.05        | The site (now empty) has been secured (entrance, perimeter, buildings, and CCTV surveillance is in place) and an arson reduction survey has been conducted by the Fire Service.  |
| 1.06        | As of 28th August 2024, the debt logged through following legal advice is £122, 999.98. However, when the £10,000 payment from the rent deposit is considered, the residual balance for write off is £112,999.98.  |
| 1.07        | Under the Financial Procedure Rules (section 5.2) to write off debts to the Commercial Rent debt for Bromborough Plastics Limited, there is a requirement for Cabinet to write off this debt.  |

| <b>2.00</b> | <b>RESOURCE IMPLICATIONS</b>   |
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| 2.01        | Cabinet (June 2023) agreed with the recommendation is to write off Circa £56,000 of debt and as part of an agreement (to be included within a Deed of Surrender) with the company they would pay the Council £10,000 and in due course vacate and importantly clear the former Queensferry Depot site. |
| 2.02        | As of 28 <sup>th</sup> August 2024, the debt logged through following legal advice is £122, 999.98. However, when the £10,000 payment from the rent deposit is considered, the residual balance for write off is £112,999.98.  |

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| 2.03 | The process can be managed within current in-house resource. |

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| <b>3.00</b> | <b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b> |
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| 3.01 | The original risk of Bromborough Plastics not vacating the site is now closed. |
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| <b>4.00</b> | <b>CONSULTATIONS REQUIRED/CARRIED OUT</b> |
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| 4.01 | All write offs must be approved by the Corporate Finance Manager, but in the case of write offs over £25,000, Cabinet must be consulted before a decision is taken. |
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| <b>5.00</b> | <b>APPENDICES</b> |
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| 5.01 | None. |
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| <b>6.00</b> | <b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b> |
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| 6.01 | Cabinet report, 20 <sup>th</sup> June 2023 |
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| <b>7.00</b> | <b>CONTACT OFFICER DETAILS</b> |
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| 7.01 | <p><b>Contact Officer: Damian Hughes, Corporate Manager, Capital Programme &amp; Assets</b><br/> <b>Telephone: 01352 704135</b><br/> <b>E-mail: <a href="mailto:damian.hughes@flintshire.gov.uk">damian.hughes@flintshire.gov.uk</a></b></p> <p><b>Contact Officer: David Barnes, Revenues &amp; Procurement Manager</b><br/> <b>Telephone: 01352 703652</b><br/> <b>E-mail: <a href="mailto:david.barnes@flintshire.gov.uk">david.barnes@flintshire.gov.uk</a></b></p> |
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