

7. LYTTTELTON MARINA LTD DEBT WRITE-OFF

General Manager responsible:	General Manager, Corporate Services, DDI 941-8540
Officer responsible:	Corporate Services Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek Council approval to write-off a \$537,439.99 debt owed by Lyttelton Marina Ltd.

EXECUTIVE SUMMARY

2. Lyttelton Marina Ltd (LML) (in receivership) has a debt of \$537,439.99 relating to lease charges at Naval Point and loan interest charged by the former Banks Peninsula District Council. The receiver has advised that there are no funds for repayment of this debt.
3. LML was put into receivership on 13 November 2000 following the October storm that substantially destroyed the assets. LML had been sold to Thornton Estates Ltd in October prior to the storm. The sale was cancelled and settlement with the purchaser and insurers has resulted in a partial settlement with BPDC from the receivers. The debt of \$537,439, recorded in the ledgers of CCC, was taken over from BPDC on the merger in March 2005 and represents monies owing by LML. The receivership statement as at March 2006 discloses costs of \$1.985M payable to BPDC, part of which remains unpaid. The receiver has advised there are no funds to pay Council.

FINANCIAL IMPLICATIONS

4. There is a provision on the balance sheet that was transferred to the CCC ledgers at the time of the amalgamation and which recognises that the debt is unrecoverable. This provision will be used to off-set the debt. This is in accordance with Council's usual procedure for bad debts. However, as this amount is in excess of delegated authority it is necessary for the Council to approve the writeoff. There will be no impact on rates.

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

5. Covered by bad debt provision.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

7. The write-off has been discussed with the Legal Services Team who concur with the recommendation.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Not applicable.

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

9. Not applicable.

ALIGNMENT WITH STRATEGIES

10. Not applicable.

Do the recommendations align with the Council's strategies?

11. Not applicable.

CONSULTATION FULFILMENT

12. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Council approve the write-off of Lyttelton Marina Ltd debt totalling \$537,439.99.