



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

# Officer Delegated Decision

26 June 2024

Deputy Chief Executive and s151  
Officer



## Write-off of remaining balance on EnvironmentSK Ltd Company loan

Proposed write-off of company loan between and EnvironmentSK Ltd and SKDC.

### Contact

Richard Wyles, Deputy Chief Executive and s151 Officer

 [Richard.wyles@southkesteven.gov.uk](mailto:Richard.wyles@southkesteven.gov.uk)

<b>Decision made by:</b>	Deputy Chief Executive and s151 Officer
<b>Decision:</b>	Officer Delegation
<b>Public or Exempt:</b>	Public
<b>Reasons for exemption:</b>	N/a
<b>Conflicts of interest:</b>	No
<b>Policy compliant:</b>	Yes
<b>Details of delegation:</b>	As per the Council's Scheme of Delegation under the Responsibility for Functions section (Part 3).

## **1. Implications**

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

### ***Finance***

The financial implications are set out within the report and specifically within the table at 2.5.

Completed by: Paul Sutton, Interim Head of Finance (Deputy s151 officer)

### ***Legal and Governance***

The Deputy Chief Executive has the necessary delegated authority to take this decision.

Completed by: Graham Watts, Monitoring Officer

## **2. Purpose of the Report**

- 2.1 During August 2019, a loan agreement was put in place between the Council and Environment SK Ltd (ESK Ltd) for an amount of £571k with a repayment period of 8 years. For the first year, interest only was payable and thereafter principal plus interest was payable. The prevailing interest rate of 4% was chargeable on a quarterly basis.
- 2.2 On 1 February 2022 a proposal submitted by the company was approved to defer the principal repayments for a period of 7 months from 1 July 2021 – 31 March 2023. This request was made in order to assist the cash flow of the company and to stabilise its trading performance. During this period the principal element of the loan repayment was deferred although the interest charged to the loan remained payable.
- 2.3 Council subsequently made the decision to bring the grounds maintenance service in house and on 31 March 2024 EnvironmentSK Ltd ceased trading.
- 2.4 As at 31 March 2024 the vehicles held as assets in EnvironmentSK underwent a formal valuation, the result of which was a value of £378,050. This value of the vehicles was used to repay part of the outstanding loan balance, which can be seen in the table below.

2.5 The following table provides information regarding the loan repayments received by the Council:

**Payment Period 1 July 2021 – 31 March 2024**

Detail	£
Original Loan	571,000
Loan Repayment amount	61,179
Loan Repayment from the sale of Vehicles	378,050
Balance	131,771

2.6 The outstanding balance of the loan as at 31 March 2024 was £131,771 and it is this balance that requires approval for write-off.

Signed by: **Richard Wyles**

---

Dated: **26.06.24**