

Item No. 18.	Classification: Open	Date: 13 September 2022	Meeting Name: Cabinet
Report title:		Authorisation to write off unrecoverable expenditure from action on a dangerous structure during the Christmas holiday period 2013 for Corelli Court	
Ward(s) or groups affected:		South Bermondsey	
Cabinet Member:		Councillor James McAsh, Climate Emergency and Sustainable Development	

FOREWORD - COUNCILLOR JAMES MCASH, CABINET MEMBER FOR CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT

This reports sets out rectifying actions to address non-recovery of expenditure relating to keeping the local community safe from a dangerous structure. This action will enable this historic issue to be resolved.

RECOMMENDATION

1. That approval is given for the write off of £348,000 of irrecoverable expenditure from action on a dangerous structure during the Christmas holiday period 2013 for Corelli Court, 316 Lynton road, SE1 5DD.

BACKGROUND INFORMATION

2. Initial building control dangerous structure work for removal of the overhanging damaged section of roof was work necessary to remove immediate danger at Corelli Court on Christmas Eve, December 2013. This was to remove the 'immediate danger' as set out in the dangerous structures legislation.
3. The scaffolding works to provide a temporary canopy also took place. This was beyond the statutory requirement. Looking at all of the circumstances, and in the absence of the point being expressly agreed in correspondence. It seems unlikely that the council could successfully argue that London Quadrant Housing Association (LQHA) took over responsibility for Wates (the contractor's) costs. It seems clear that Wates continued to act under the terms of the contract with the council, and the only issue is whether the council can re-charge the entire amount to LQHA.

KEY ISSUES FOR CONSIDERATION

4. We do not have a clear and unequivocal confirmation from LQHA that they were happy to proceed with the further works at rates which would have constituted an unambiguous and enforceable contract in respect of the further works.
5. The costs of the works was £648, 000 of which £300, 000 have been recovered from LQHA on April 8 2021 following the negotiations that took place.
6. Following this case coming to the Head of Service's attention, he arranged for training for all of the dangerous structures first-responders. The training covered managing the contractors and ensuring that they do no more than the minimum work to make the building safe. This ensures that costs are minimised, that officers operate only within their remit and also that the building owner is first given an opportunity to undertake the works themselves. There is a much closer monitoring of costs and in a recent case we ensured, via court action, that the council's costs would be recovered before taking action.

Policy framework implications

7. There are no policy framework implications.

Community, equalities (including socio-economic) and health impacts

Community impact statement

8. There are no impacts on the community from this decision.

Equalities (including socio-economic) impact statement

9. There are no equalities impacts from this decision.

Health impact statement

10. There are no health impacts from this decision.

Climate change implications

11. There are no climate change implications from this decision.

Resource implications

12. The resource implications from this decision are set out in the report. The total irrecoverable debt recommended for write off is £348,000.

Legal implications

13. There are no legal implications from this decision.

Financial implications

14. The total irrecoverable debt recommended for write off is £348,000.
15. There is sufficient provision for bad debts within the business unit's revenue budget to contain this debt write off.
16. Under the councils constitution a decision to write off debts with a value of more than £5,000 and less than £50,000 is delegated to individual Members within their own service area. Debt write-off under £5,000 can be authorised by Chief Officers. Recommendations to write off any debt over £50,000 must be referred to cabinet for authorisation.

Consultation

17. There are no consultation requirements on this decision.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

18. The Director of Law and Governance notes that this report recommends that the £348,000 of irrecoverable expenditure be written off.
19. Under the council's constitution, write-off of debts of £5,000 up to £50,000 is delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers. Write-off of any debt of £50,000 or over must be referred to the cabinet committee for authorisation.
20. The Director of Law and Governance notes that the sum to be considered, being over £50,000 is being referred to the Cabinet committee as per the constitution.
21. There are a number of key reasons why the council may wish to write-off a debt. One of these includes where there has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
22. The Director of Law and Governance considers the proposed write-off to be lawful and in accordance with the council's procedures because of the fact that there has been a negotiated settlement between the council and London and Quadrant Housing Association, the party from whom the sum was sought.

Strategic Director of Finance and Governance (CE22/030)

23. The strategic director of finance and governance notes that the debts totaling £348,000 are recommended in accordance with the council's policies and procedures for write-off because they are deemed as irrecoverable.
24. The strategic director of finance and governance notes that the write off will not have any financial implication since there is sufficient provision for bad debts available to cover it.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor James McAsh, Climate Emergency and Sustainable Development	
Lead Officer	Stephen Platts, Director of Planning and Growth	
Report Author	Juliet Seymour, Planning Policy Manager	
Version	Final	
Dated	1 September 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	1 September 2022	