



# City of Westminster Cabinet Member Report

<b>Decision Maker:</b>	Cabinet Member for Finance and Council Reform
<b>Date:</b>	14 November 2022
<b>Classification:</b>	Not for Publication
<b>Title:</b>	Council Tax, NNDR, Housing Benefit Overpayments, Former Client Rent Arrears and Sundry Irrecoverable Debt - Quarter 2 2022/23
<b>Wards Affected:</b>	All
<b>Policy Context:</b>	To maintain a low Council Tax
<b>Financial Summary:</b>	The losses arising from Council Tax, Housing Benefit Overpayment and the other sundry debt write-offs outlined in this report can be met from the provisions made in the accounts in previous years for irrecoverable debts and thus there will be no impact on the current year's budgets.
<b>Report of:</b>	Director of Revenues & Benefits

## 1. Executive Summary

- 1.1 There are nine debts greater than £100,000 requiring Cabinet Member approval for write-off for Quarter 2 of 2022/23 (1 July 2022 to 30 September 2022). Remaining debts outlined in this report can be written-off under officer delegated authority.
- 1.2 This report includes sundry debt write-offs, including debts for services managed by our partner providers eg Commercial Waste write-offs.

## 2. Recommendations

- 2.1 That the report be declared exempt from publication as, the business to be transacted involves the disclosure of information as prescribed by paragraph 1 of Part 1 of Schedule 12a of the Local Government Act 1972 relating to information relating to the financial or business affairs of any particular person (including the authority). The public interest test has been considered and, in all the circumstances, the public interest in maintaining the exemption is considered to outweigh the public interest in disclosing the information.

2.2 That the amounts shown in paragraph 6.4, as written-off under officer delegated authority, be noted.

### 3. Reasons for Decision

3.1 The recommendation to write-off the amounts detailed in this report is proposed as all other avenues available to the Council for the recovery of these debts have been exhausted, including, where appropriate, the issue of court and distress proceedings.

### 4. Background

4.1 Debts under £100,000 are written-off under officer-delegated authority (Financial Regulations). Debts over £100,000 require Cabinet Member authorisation.

4.2 Debts exceeding £10,000 have been approved by the Director of Law.

### 5. COUNCIL TAX, NNDR, SUNDRY DEBT WRITE-OFFS OVER £100,000.

5.1 There were nine individual NNDR debts submitted for write off exceeding £100,000 in Quarter 2 2022/23:

Reference	Liable Party	Premises	Liability Period	Amount	Reason
403477175	Barda Quch Limited	508-512 Oxford Street	29.08.2018-06.09.2019	£829,565.60	Administration 30.06.2022
403791246	Aryan Gifts Ltd	133-135 Oxford Street	01.01.2021-16.12.2021	£153,890.10	Liquidation 16.12.2021
403863310	Jerusalem Fresh Falafel Ltd	145-147 EDGWARE ROAD	13.03.2020-12.03.2021	£108,29.99	Dissolved 05.11.2021
403559941	Never Fade Factory Ltd	58-58A OLD COMPTON STREET	24.09.2019-05.04.2022	£106,511.24	Dissolved 05.04.2022
403683655	Fire Frank Ltd	192-194 OXFORD STREET	13.01.2020-04.10.2021	£138,557.59	Dissolved 01.02.2022
403506952	London West End Limited	1 LEICESTER SQUARE	18.12.2018-18.12.2019	£155,987.34	Dissolved 19.04.2022
403428373	Souvenirs and Gifts London Ltd	146-148 OXFORD STREET	12.06.2018-20.03.2019	£256,236.37	Dissolved 19.11.2019
402226893	The East India Company Fine Foods (Conduit Street) Limited	7-8 CONDUIT STREET	23.03.2009-12.08.2015	£523,731.17	Dissolved 21.01.2022

403493751	A.M.A. Hospitality (Wardour) Limited	147-149 WARDOUR STREET	31.08.2018- 01.04.2022	£201,203.42	Liquidation 10.12.2021
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## 6. WRITE-OFFS UNDER £100,000

- 6.1 Amounts written-off as irrecoverable by officers under delegated authority for the Q2 period are included in the table below (in addition to the debts shown above). The table also shows the year to date position.
- 6.2 This report will include sundry debt write-offs, including debts for services managed by our partner providers eg Commercial Waste write-offs. These debts were previously written off under delegated authority in accordance with the Council's Financial Regulations without inclusion in a Cabinet Member report. There are other types of sundry debts currently written off under delegated powers which are not yet included in this quarterly report, including WAES, Schools internal / external debts, Libraries, Premises Licencing and Highways special licences.
- 6.3 It is not planned to change the current process for reporting Parking Charge write-offs, as these are approved under separate review by the Executive Directors for Finance and Resources and Environment and City Management (EMC).
- 6.4 There were 100 individual accounts (93 NNDR and 7 Sundry debtors) each owing more than £10,000 but less than £100,000 referred to the Director for Law which, have been approved.

2022/23	Q2	Q2	Year to date	Year to date
Area	Value £	Number	Value £	Number
NNDR	11,706,525	277	11,706,525	277
Council Tax	218,223	1002	1,130,026	3,281
Housing Benefit Overpayments	17,169	17	164,984	64
Former Client Rent Arrears incl TA	£270,880	283	610,952	470
<b>Sundry Debtors:</b>				
Adult Social Care incl Client Contributions	47,848	172	147,744	218
Sundry (Variety of debt across services)	61,259	95	146,004	122
<b>Grand Total</b>	<b>12,321,905</b>	<b>1,846</b>	<b>13,906,235</b>	<b>4,432</b>

## 7. Financial Implications

- 7.1 All the losses outlined in section 6 of this report can be met from the provisions made in the accounts in previous years for irrecoverable debts and thus there will be no impact on the current year's budgets. The write-offs relating to Council Tax are shared with the GLA, whilst the cost of NNDR debt is shared with the GLA and central government under the Business Rate Retention scheme (Westminster percentage is 30%).

7.2 Bad debt provision for the sundry debts is checked for adequate cover before being proposed for write off. The Finance and Resources Directorate regularly review the bad debt provision in year and particularly towards year end as part of the preparation for accounts finalisation.

## **8. Legal Implications**

8.1 Individual debtors owing more than £10,000 have been approved under Delegated Authority and by the Director of Law. Debtors owing more than £100,000 have also been approved by the Director of Law for referral for Cabinet Member approval

## **9. Ward Member Comments**

9.1 As the report relates to all wards, no Ward Member consultation was required.

## **10. Outstanding Issues**

10.1 There are no outstanding issues.


**If you have any queries about this report or wish to inspect any of the background paper please contact: Martin Hinckley, on 07816 215828 or via email to:**

**[mhinckley@westminster.gov.uk](mailto:mhinckley@westminster.gov.uk)**

For completion by the **Cabinet Member for Finance and Council Reform**

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed:  Date: 14 November 2022

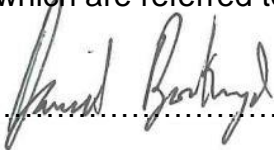
NAME: **Councillor David Boothroyd**

State nature of interest if any .....

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*(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)*

For the reasons set out above, I agree the recommendation(s) in the report entitled

**Council Tax, NNDR, Housing Benefit Overpayments, Former Client Rent Arrears– and Sundry Debt Irrecoverable Debt – Quarter 2, 2022/23** and reject any alternative options which are referred to but not recommended.

Signed  .....

**Cabinet Member for Finance and Council Reform**

Date ...14 November 2022.....

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment: .....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Executive Director for Finance and Council Reform and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.