



## Governance & Audit Committee

Item  
**15**

19 January 2021

<b>Report of</b>	<b>Assistant Director – Corporate and Improvement</b>	<b>Author</b>	<b>Paul Cook</b> <b>☎ 505861</b> <b>Sam Preston</b> <b>☎ 282707</b>
<b>Title</b>	<b>Increase in write-off delegation to £10,000</b>		
<b>Wards affected</b>	Not applicable		

### 1 Executive Summary

- 1.1 To consider increasing the limit for officers to write-off debts.

### 2 Recommended Decision

- 2.1 To recommend to 27 January 2020 Cabinet a change in the Financial Regulations from April 2021 to increase the write-off limit for officers to £10k, and thereafter to increase in line with the Retail Price Index once inflation justifies a minimum £1k step.

### 3 Reason for Recommended Decision

- 3.1 The write-off limit for officers has been set at £5k for at least 10 years. The Retail Price Index has increased by about 30% during this period. The £5k limit was most probably set around 2000, since when the RPI has increased by about 70%
- 3.2 In order to manage debts more efficiently it is recommended to update this limit to £10k.
- 3.3 Thereafter the limit could be increased in line with inflation, subject to a minimum £1k step. This will avoid the need to report back to Governance and Audit Committee annually.

### 4 Alternative Options

- 4.1 Not to increase the limit.

### 5 Financial implications

- 5.1 Debt recovery procedures are set out in the Council's income and debt management policy. [Income and Debt Management Policy November 2019](#).
- 5.2 Debts that are proposed for write off are fully or mainly covered by a bad debt provision.
- 5.3 The decision to write-off a debt is only made after every reasonable effort has been made at recovery having regard to the value of the debt.
- 5.4 Write-offs over £100 already require the authorisation of the Corporate Debt Manager and the S151 Officer. If the debt exceeds £5k, Portfolio Holder authorisation is required. To change this limit revises the Council's Financial Regulations. If the Committee approves the change it will be recommended to 27 January 2021 Cabinet as part of the 2021/22 Budget Report.
- 5.5 Customer Services has for several years achieved excellent collection results for council tax, business rates and other income. The service could further improve its efficiency if it

were able to deal more expeditiously with writing off debts up to £10k without a Portfolio Holder report.

## **6 Environmental and Sustainability Implications**

- 6.1 The Capital Programme reflects the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The efficient operation of debt collection is fundamental to achieving this result.

## **7 Equality and Diversity Implications**

- 7.1 The change will enable more time to be devoted to working with clients and customers to manage their obligations to the Council effectively.

## **8 Risk management implications**

- 8.1 None.

## **9 Other standard references**

- 9.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

## **10 Background papers – None**