

SUBJECT:	Proposed Amendment to the Financial Procedure Rules	
REPORT OF:	Head of Finance	Rodney Fincham
RESPONSIBLE OFFICER	Head of Finance	Rodney Fincham
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WARD/S AFFECTED	All	

1. Purpose of Report

- 1.1 To request that the Financial Procedure Rules relating to debt write offs are amended.

RECOMMENDATION TO CABINET

The Financial Procedure Rules are amended to allow the Parking Manager to approve the write off of irrecoverable penalty charge notices up to £150.

2. Reasons for Recommendations

- 2.1 It is administratively efficient, and appropriate for the Parking Manager to be able to approve the write off of irrecoverable penalty charge notices.

3. Background

- 3.1 The financial limits relating to the write off of irrecoverable debts in circumstances where recovery of the sum is unlikely to be achieved or where proceeding is inappropriate or unjustified are currently as follows.

Up to £1,000	The Head of Finance has the power to write of irrecoverable debt up to £1,000.
Up to £10,000	The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000. The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.
Over £10,000	The Cabinet has the power to write off irrecoverable debts over £10,000.

- 3.2 On the parking account there are instances where debt is unrecoverable. This is mainly due to the following reasons:

- DVLA does not have a keeper on record for the date of event. This prevents a statutory notice from being served and the debt pursued. Alternatively, the information is not received from the DVLA within the statutory period to enable a statutory notice to be served. The statutory period is six months from the date of issue.
- The debtor has moved from the address the DVLA has on record for them and they are untraceable.
- The debt has been pursued through the Magistrates Court but the debtor has not paid the fine. The timeframe for repayment is set by the Magistrate and therefore this can vary case by case.

3.3 The following table shows the number and value of penalty charge notices written off in 2015/16.

Reason	Number of Cases	Value £
DVLA – No Address Trace	19	1,520
Procedural Error	2	160
Totals	21	1,680

4. Proposals

- 4.1 The Joint Parking Manager is responsible for the billing and recovery of penalty charge notices.
- 4.2 However at present they have to refer any irrecoverable debts to the Head of Finance for write off.
- 4.3 It is now proposed to allow the Parking Manager to approve these write offs.
- 4.4 Once approved the Parking Manager would still need to notify the Head of Finance of these writes offs, in order that the Head of Finance can maintain the register of all debts that have been written off.
- 4.5 With regard to the write off level, the maximum debt and thus the maximum write off amount per case at SBDC is £80. However the maximum debt / write off at CDC is £112. Hence the proposed write off level has been set at £150 to cover both authorities.

5. Options

Option	Advantages	Disadvantages
No change to rules	No need to amend Financial Procedure Rules	Write off process is not streamlined.
Amend write off rules	Write off process is streamlined.	Need to amend Financial Procedure Rules

6. Corporate Implications

- 6.1 The write off of any debt represents the loss of potential income to the Council. However in some cases all recovery options have been pursued and there is no realistic hope of recovery.

7. Links to Council Policy Objectives

- 7.1 The collection of fees and charges is an essential part of providing cost effective services and the write off of uncollectable debt is part of good financial management.

8. Next Step

- 8.1 Any changes to the Financial Procedure Rules will require the agreement of Cabinet and then Council.
- 8.2 If changes are approved then the Financial Procedure Rules will be amended and officers of both Councils will be informed of the changes.

Background Papers:	None
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