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| SUBJECT: | Proposed Amendment to the Financial Procedure Rules | |
| REPORT OF: | Head of Finance | Rodney Fincham |
| RESPONSIBLE OFFICER | Head of Finance | Rodney Fincham |
| REPORT AUTHOR | Finance Manager | Sue Watson 01494 723020 swatson@chiltern.gov.uk |
| 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 COUNCIL

The Financial Procedure Rules are amended to bring the financial limits applying to the write off of irrecoverable debts in line for both CDC and SBDC, as detailed below.

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|---------------|---|
| 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. |

2. Reasons for Recommendations

- 2.1 As a result of the implementation of a Shared Finance Team, roles have changes and we therefore need to amend the write off rules to reflect current responsibilities.
- 2.2 Furthermore aligning the write off rules will assist finance officers provide a more consistent and streamlined service to both Councils.

3. Background

- 3.1 The Audit Committee's Terms of Reference includes reviewing the effectiveness of the control environment.
- 3.2 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.

CDC

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|---------------|---|
| Up to £1,000 | The Head of Finance has the power to write off 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. |

SBDC

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|-------------------|--|
| <i>Up to £100</i> | <i>The Administration Manager will have the power to write off irrecoverable debt, including penalty charge notices, up to the value of £100</i> |
| Up to £1,000 | The Head of Finance will have the power to write off irrecoverable debts up to the value of £1,000 |
| Up to £10,000 | The Director of Resources will have 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 <i>Council Tax and Non Domestic Rates</i> debts up to the value of £10,000. |
| Over £10,000 | The Cabinet has the power to write off irrecoverable debts over £10,000. |

Note: Proposed changes for SBDC shown in italics.

Proposals

The following proposals are made to standardise the rules. These have already been considered and agreed by the CDC Audit & Standards Committee.

Removal of Administration Manager Role

- 3.3 Within the new Joint Finance Team structure there is not an 'Administration Manager' and thus it is necessary to amend the Financial Procedure Rules to remove reference to this role.

Write Off Powers for the Head of Customer Services

- 3.4 The Head of Customer Services currently has the power to write off Council Tax and Non Domestic Rates debts. However her remit also includes Housing Benefit / Council Tax Support and there are occasions where Housing Benefit / Council Tax Support Overpayments have to be written off. It is therefore proposed to extend the remit of the Head of Customer Services to also be able to write off Housing Benefit / Council Tax Support Overpayments.

4. Options

| Option | Advantages | Disadvantages |
|---|--|---|
| Leave existing write off rules the same | No need to amend Financial Procedure Rules | More difficult for officers to administer debtors process as inconsistency between two Councils |
| Amend write off levels | Consistency for both Councils | Need to amend Financial Procedure Rules |

5. Corporate Implications

- 5.1 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.

6. Links to Council Policy Objectives

- 6.1 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.

7. Next Step

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

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| Background Papers: | None |
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