Report to the Council

Committee: Overview and Scrutiny Date: 17 February 2009

Chairman: Councillor R Morgan Item: 15

1. ANNUAL REVIEW OF FINANCIAL REGULATIONS

Recommending:

(1) That the limit for writing-off arrears and debts in respect of Housing Benefit, National Non Domestic Rates (NNDR), Council Tax and Sundry Debtors under delegated authority by the Director of Finance and ICT be retained at £2,500 on a permanent basis; and

(2) That the limit for writing-off arrears and debts in respect of housing rents by the Director of Housing be retained at £2,500 on a permanent basis.

Introduction

- 1. The Council carries out an annual review of its financial regulations to ensure that these comply with current legal requirements and to ensure good governance of the Council's financial operations.
- 2. The Constitution and Member Services SSP has identified only one matter which requires attention this year, namely the decision, made last year, to increase the limit for the Directors of Finance and ICT and Housing delegated authority to write-off debts below £2,500 without referring to the Portfolio Holder.
- 3. This report provides data on how the revised delegation arrangements have operated in practice and recommends that this change in delegation become permanent.

Writing-off of Debts and Arrears

- 4. Last year the financial limit for the two Directors to write-off debts without approval was increased to £2,500, subject to a review after one year. We also discussed whether the limit of £2,500 was still too low, comparisons with the practice of other local authorities having been submitted. These comparisons show that some other Councils operated a higher limit for officer delegation.
- 5. The SSP has reviewed the operation of this revised delegation. One of the main reasons for making the change was to avoid large numbers of small debts being submitted on a regular basis to the Portfolio Holder for writing-off. The effect of the change is set out in the table below which shows the value of write-offs approved by the Portfolio Holder and those approved by the Director of Finance and ICT:

Arrears Type	2007/8		2008/9 (Part Year)	
	Written-off Director of Finance and ICT	Written-off Portfolio Holder	Written-off Director of Finance and ICT	Written-off Portfolio Holder
	£	£	£	£
Housing Benefit	2,732 (17)	38,753 (8)	33,438 (91)	30,571 (17)
NNDR	10,359 (33)	41,389 (21)	14,450 (26)	7,805 (2)
Council Tax	267,559 (924)	65,389 (72)	173,967 (688)	Nil (0)
Sundry Debtors	46,887 (132)	18,652 (6)	4,077 (92)	2,586 (1)
Housing Rents	40,666 (219)	68,428 (37)	33,154 (148)	12,771 (4)

Figures in brackets are the number of individual cases giving rise to the totals and will be reported at the Overview and Scrutiny meeting.

- 6. It will be seen from the table that, with Housing Benefit, NNDR, Sundry Debtors and Housing Rents the proportion of write-offs by the Directors of Finance and ICT and Housing has increased over the two years. The exception is Council Tax arrears where, to date in 2008/9, no write-offs have needed to be submitted to the Portfolio Holder primarily because only Council Tax arrears in the "H" banding are greater than £2,500.
- 7. The Directors of Finance and ICT and Housing report that there have been no problems in operating under the new delegation arrangements.
- 8. We therefore recommend that the delegation limit of £2,500 should be retained on a permanent basis. No case is seen for seeking a higher delegation limit.