



Neath Port Talbot County Borough Council

Cabinet (Policy and Resources) Sub Committee

9th January 2024

Report of the Chief Finance Officer – Huw Jones

Matter for Decision:

Amendment to the authorisation limits for write offs in the Council's Financial Procedure Rules

Wards Affected: All

Purpose of report

1. To seek Council approval for an amendment to the authorisation limits for write offs in the Council's Financial Procedure Rules in respect of Council Tax, Business Rates, Housing Benefit Overpayments, parking enforcement and Sundry Debt.

Background

2. All debts owed to the Council are rigorously pursued for collection however there will inevitably be accounts where, despite the efforts of the department, recovery of the full amount is impossible and it will be necessary to write off the amount owed. Various bad debt provisions are in place for this process.
3. The Financial Procedure Rules of the Council's Constitution sets out the authorisation limits for the writing off of debts including Council Tax, Business Rates, Housing Benefit Overpayments, parking enforcement and Sundry Debt. The write off authorisation limits have not been reviewed for a number of years and are no longer fit for

purpose. The level of charges have increased over the years but the levels of write off authorisation have remained static.

4. Appendix 1 provides a summary of the levels of write off authorisation for a number of other Welsh authorities for your information and comparison.

Current Position

5. The current limits are set out in Part 4 paragraph 4.10.5 of the Financial Procedure Rules. These are replicated below-

Responsibilities of the Chief Finance Officer

- *To agree arrangements for the collection of all income due to the Authority and to approve the procedures, systems and documentation for its collection.*
- *To agree the write-off of bad debts or seek approval from the Executive:*
 - (a) where the irrecoverable debt is £1,000 or less by the Chief Finance Officer;*
 - (b) where the irrecoverable debit is over £1,000 by the Executive after considering a report of the Chief Finance Officer*

Proposed Amendment

6. It is recommended that the write off authorisation limits be amended as follows to reduce the number of reports that are submitted to members for relatively small sums in comparison to the debts charged.
 - (a) where the irrecoverable debt is £5,000 or less by the Chief Finance Officer;
 - (b) where the irrecoverable debit is over £5,000 by the Executive after considering a report of the Chief Finance Officer

Financial Impact

7. No implications. The same process will be followed of the use of a bad debt provision

Integrated Impact Assessment

8. No requirement to undertake an IIA, matter is a procedural point for an amendment to the Financial Procedure Rules.

Valleys Community Impacts

9. No implications.

Workforce impacts

10. If the write off authorisation levels are increased there will be a saving on staff time as there will be reduction in accounts that will require reporting to members.

Legal impact

11. The Council must comply with the Financial Procedure Rules in the Constitution which will be amended if members agreed the recommendations of this report.

Risk management

12. There are no risks identified.

Consultation

13. There is no requirement under the Constitution for external consultation on this item.

Recommendation

14. It is recommended that Members approve the new levels of write off authorisation, namely debts under £5,000 to be approved by the Chief Finance Officer, debts greater than £5,000 to be authorised by the Executive after considering a report of the Chief Finance Officer and that this decision be commended to Full Council to agree the appropriate changes to the Constitution.

Reason for proposed decision

15. To enable the debts for Council Tax, Business Rates, Housing Benefit overpayments, parking enforcements and Sundry debt to be written off consistently and in line with the Council's constitution.

Implementation of decision

16. The decision is proposed for implementation after the three day call in period.

Appendices

17. Appendix 1 – Other Local Authority Write Off Authorisation Levels

List of background papers

None

Officer contact

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APPENDIX 1

Local Authority	Summary of Write Off Authorisation
Torfaen	The Section 151 Officer is authorised to write off all value of debts
Bridgend	Under 1k Revenues Manager can authorise, over £1k the Head of Service can authorise.
Monmouth	Under 10k the Section 151 Officer can authorise, over 10k is reported for member approval.
Swansea	Under 10k the Head of Finance can authorise, over 10k is reported for member approval
Gwynedd	Under 5k the Section 151 Officer, over £5k the Section 151 Officer and portfolio holder can authorise.
Cardiff	Under 50k the Revenues Manager can authorise, 50k to 100k the Section 151 Officer can authorise Over £100k is reported to Cabinet.
Powys	Under £1k Revenues Manager can authorise, over £1k the portfolio holder can authorise.
Newport	The Section 151 Officer is authorised to write off all value of debts
Blaenau Gwent	The Section 151 Officer is authorised to write off all value of debts
Merthyr	Under £1k the Section 151 Officer can authorise, over £1k are reported to Cabinet.
Flintshire	Under £2.5k the Section 151 Officer can authorise, £2.5k to £20k the Section 151 Officer and the lead member. Over £20k are reported to cabinet.
Conwy	Under £2.5k the Director of Finance can authorise, over £2.5k are reported to members.
RCT	Under £2k the Head of Service can authorise, over £2.5k are reported to members.
Carmarthnshire	Under £1.5k the Section 151 can authorise, over £1.5k can be authorised by an executive board member.
Caerphilly	Under £1k the Revenues Manager can authorise, over £1k to 20k The Head of Service and Section 151 Officer can authorise, over £20k is reported for member approval.