



<b>Report To:</b>	Policy Development Panel
<b>Date:</b>	21 April 2026
<b>Subject:</b>	Debt Write Off Policy
<b>Purpose:</b>	To review the Debt Write Off Policy
<b>Key Decision:</b>	N/A
<b>Portfolio Holder:</b>	Councillor Paul Redgate, Portfolio Holder for Finance
<b>Report Of:</b>	Russell Stone, Director of Finance and Section 151 Officer
<b>Report Author:</b>	Sharon Hammond, Head of Revenues and Benefits
<b>Ward(s) Affected:</b>	All
<b>Exempt Report:</b>	Partially Exempt. Appendix 1 of this report is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. (Information relating to the financial or business affairs of any particular person (including the authority holding that information))

### **Summary**

Efficient and well administered debt management is crucial to the Council, and the Debt Write Off Policy supports effective processes for occasions where debt is considered irrecoverable and recommended for write off.

### **Recommendations**

That the Policy Development Panel reviews the Debt Write Off Policy and submits any observations or recommendations to Cabinet.

### **Reasons for Recommendations**

To ensure the Council has robust policy and procedures to deal with debt write off.

## Other Options Considered

Not to review the policy.

### 1. Background

- 1.1 Efficient and well administered debt management is crucial to the Council, and to this end the Council has a Debt Management Policy, and an Operational Debt Write Off Policy in place that enable effective management of debt, and in particular the processes for identification and recovery of debt owed to the council, and for those occasions where debt is deemed irrecoverable.
- 1.2 The Policy Development Panel first reviewed the Debt Write Off Policy in May 2017, and Cabinet officially adopted it in July 2017. This operational policy is reviewed periodically and has largely stayed the same, since there have been no major changes in the laws governing debt collection, recovery, or enforcement.
- 1.3 On 20 January 2026, Cabinet approved an increase in the level of write off delegated to the Section 151 Officer to £5,000. This decision recognised the pre-existing level of delegation at £1,050 had become out of step with the wider sector and had not kept pace with changes in individual debtor levels. For context, the limit represented less than 6 months of one annual Band D Council Tax bill, which in 2026/27, including average parish precepts, is just over £2,278.

Whilst only used once all other reasonable routes have been exhausted, this increase in delegation supports an efficient mechanism to move irrecoverable debt through the authorisation process.

- 1.4 Comparison against other Lincolnshire authorities\* demonstrates that despite the recent increase, the delegation for SHDC remains relatively low, as shown in the table below: -

BBC	ELDC	SHDC	NKDC	SKDC	CoL	WLDC
£5,000 and all Bankruptcies / insolvencies unlimited	£75,000	£5,000	£10,000	£50,000	£5,000 <sup>(i)</sup>	up to £25,000 <sup>(ii)</sup>

(i) CoL delegation to Assistant Directors

(ii) WLDC delegation up to £2,500, and to £25,000 in consultation with Policy and Resources Chairman

\* Source: constitutions published on websites

- 1.5 The Debt Write Off Policy is not for publication, due to its sensitive nature, setting out the approach South Holland will take in respect of debt write off.
- 1.6 At the request of this Committee, the Debt Write Off Policy, at Appendix 1, is presented for review.

## **2. Report**

- 2.1 It is acknowledged that while most funds owed to the Council will be effectively collected and recovered, and in many instances recovery and enforcement measures will remain appropriate for ensuring successful collection, there are circumstances where debts may be deemed irrecoverable for various reasons. In such cases, recommendations will be made for write-off.
- 2.2 The Debt Write Off Policy offers detailed guidance on the procedures for debt recovery and outlines the circumstances under which debt may be deemed irrecoverable and proposed for write-off.
- 2.3 Regular review of the policy ensures that it continues to meet requirements and the processes function effectively.
- 2.4 Should this Committee have any suggestions for improvement, these can be recommended for consideration by Cabinet.
- 2.5 The Debt Management Policy is provided at Appendix 2 for information.

## **3. Conclusion**

- 3.1. The Debt Write Off Policy provides the basis and principles for consideration before any recommendation for debt write off. Through regular review this policy remains current and continues to function effectively.
- 3.2. Any suggestions for improvement emerging from this review would be recommended to Cabinet for consideration.

## **Implications**

### **South and East Lincolnshire Councils Partnership**

None

### **Corporate Priorities**

None

### **Staffing**

None

## **Workforce Capacity Implications**

None

## **Constitutional and Legal Implications**

Recovery and enforcement procedures are regulated by statutory provisions, and operational activities will be conducted in compliance with these requirements. Delegated authority for debt write-off is specified within the constitutional framework.

## **Data Protection**

None

## **Financial**

Having clear procedures for writing off debts that cannot be recovered is a sign of good financial management.

South Holland District Council as the billing authority, manages the billing, collection, and recovery of various revenue sources. For both Council Tax and Business Rates, these tasks are regulated by collection fund accounting, with income and losses shared among major precepting bodies: Lincolnshire County Council and the Lincolnshire Police and Crime Commissioner.

The council receives about 11% of Council Tax and 40% of Business Rate revenue, but it also absorbs a matching portion of losses caused by irrecoverable debts that are written off.

Council accounts include provisions for bad debt, which are regularly reviewed.

## **Risk Management**

Some annual council revenue will inevitably be uncollectable and recommended for write-off after all recovery efforts fail.

## **Stakeholder / Consultation / Timescales**

None

## **Reputation**

None

## **Contracts**

None

## **Crime and Disorder**

None

## **Equality and Diversity / Human Rights / Safeguarding**

None

## **Health and Wellbeing**

None

## **Climate Change and Environment Impact Assessment**

Not undertaken

## **Acronyms**

None

## **Appendices**

Appendices are listed below and attached to the back of the report:

Appendix 1	Debt Write Off Policy (Exempt)
Appendix 2	Debt Management Policy

## **Background Papers**

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

## **Chronological History of this Report**

A report on this item has not been previously considered by a Council body.

## **Report Approval**

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