

Report – Policy & Resources Committee and Finance Committee

Report of Urgent Action Taken: Update to the Code of Corporate Governance concerning delegation of write-off limits and discretionary Business Rates relief

To be presented on Thursday, 14th January 2021

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY OF ACTION TAKEN

1. Earlier this year, in an effort to streamline and accelerate the decision-making process as part of the Corporation's response to the Covid-19 pandemic, amendments were made to the Scheme of Delegations affecting irrecoverable debt write-off limits. The Head of Revenues was given delegation to write-off debts of up to £100,000, and the Chamberlain was given delegation to write-off debts of up to £500,000 (the pre-Covid delegated limit was £20,000). Debts over £500,000 still require approval by your Finance Committee. These temporary measures expired on 31st October 2020.
2. At the same time, the limits of delegation were increased for the Head of Revenues from £5,000 to £25,000 for awards of discretionary rate relief, made under Sections 47 and 49 of the Local Government Finance Act 1988. This was also a temporary measure which expired on 31st October 2020.
3. Whilst the temporary write-offs and discretionary rate relief limits expired in October, the reason for the increased delegation limits continues, with many businesses and individuals likely to suffer further financial difficulties as a result of the pandemic.
4. The approval of the Court was, therefore, sought under urgency procedures, to extend the delegations for these revised limits until 31st March 2021. Whereupon a Report will be submitted to Members providing options on next steps.
5. A new grant scheme was also announced by the Government in the autumn, which involved regular support grant payments to businesses that have been forced to suspend trading due to the Covid restrictions. As this was a new scheme, there had been no previous requirement for delegation, and, therefore, Court was also asked to delegate authority for the payment of these business support grants to the Head of Revenues.

6. Approval was, therefore, granted by the Court of Common Council, under urgency procedures, to the following:
- The extension (to 31st March 2021) to the following amendments to the Scheme of Delegations to Officers:
 - To increase (temporarily) the limits to write-offs of debts due to the City of London Corporation which are irrecoverable up to £100,000 (Head of Revenues) and up to £500,000 (Chamberlain), with any amount in excess of £500,000 to be submitted to Finance Committee for approval. To note, Finance Committee will receive a Report for information on any write-offs over £25,000, and, a Report will be submitted to relevant Committees in March 2021 (as the temporary limits come to an end) providing options on next steps.
 - To authorise (temporarily) to the Head of Revenues, the granting of discretionary rate relief under Section 47 and Section 49 of the Local Government Finance Act 1988, of up to £25,000 per annum.
 - To delegate authority to the Head of Revenues to determine and award all business grant payments under the government support schemes.

RECOMMENDATION

7. We **recommend** that the actions taken under urgency procedures be noted.

All of which we submit to the judgement of this Honourable Court.

DATED this 26th day of November 2020.

SIGNED on behalf of the Committees.

Jeremy Paul Mayhew
Chairman, Finance Committee

Deputy Catherine McGuinness
Chair, Policy & Resources Committee