

# Report

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Report to:	<b>Finance and Information Technology Resources Committee</b>
Date of Meeting:	<b>27 October 2009</b>
Report by:	<b>Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Revenues Collection as at 31 August 2009 and Approval for Write Off</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise Committee of Revenue Collection Performance to 31 August 2009
- ◆ Seek approval for write offs.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) performance to date in Revenue Collection Performance be noted  
 (2) write off approval is sought for:

• Non Domestic Rates	£878,879.28
• Council Tax	£683,774.27
• Sundry Debt	£99,671.31
• Housing and Lockup Rent	£108,198.12
• Factoring Charges	£3,644.38

## 3. Background

3.1. The collection of Council Tax, Non Domestic Rates, Sundry Debt and Community Charge is the responsibility of Housing and Technical Resources. The attached appendices provide information on collection performance for the current year and previous arrears.

## 4. 2009/2010 Collection Performance

- 4.1. The first table in Appendix 1 presents the collection performance for Council Tax, Non Domestic Rates and Sundry Accounts for financial year 2009/2010 to 31 August 2009.
- 4.2. The 2009/2010 annual target for Council Tax collection has been set at 95%. Collection performance for Council Tax is currently £0.014m (0.01%) ahead of target. Collection is ahead of comparable performance in 2008/2009 by 0.17%.

4.3. The 2009/2010 annual target for Non Domestic Rates collection has been set at 97%. Non Domestic Rates collection for 2009/2010 is currently £0.397m (0.2%) ahead of target. Due to the operation of a pooling system for NDR, collection of NDR income has no direct impact on Council funding.

4.4. The 2009/2010 annual target for Sundry Debt collection has been set at 98.1%. Collection of Sundry Debt is currently £0.114m (0.1%) ahead of target.

## **5. Arrears Collection Performance**

5.1. Arrears collection performance for Council Tax, Non-Domestic Rates, Sundry Accounts and Community Charge is presented in the second table of Appendix 1, and Appendix 2.

5.2. The 2009/2010 arrears target for Council Tax has been set at £2.5m. Collection performance for Council Tax arrears to 31 August 2009 is currently ahead of target by £0.097m (3.9%).

5.3. The 2009/2010 arrears target for Non Domestic Rates (NDR) has been set at £2.0m. NDR arrears collection is currently ahead of target by £0.157m (7.8%). As previously stated, due to the operation of a pool system for NDR, collection of NDR arrears has no direct impact on Council funding.

5.4. The collection of Sundry Account arrears to 31 August 2009 is behind target by £0.124m (1.1%).

5.5. Community Charge arrears collection is under target by £0.015m (20.3%). Collection of Community Charge income is ongoing due to repayment arrangements with Sheriff Officers.

## **6. Proposals for Write Off**

6.1. Approval for write off for the following irrecoverable debts is requested from Committee. The Council has a statutory obligation to write off accounts where the debtor is deceased, sequestrated or in liquidation.

6.2. The proposed write off of Council Tax accounts dating from 1993/1994 to 2009/2010 totals £683,774.27. This debt relates mainly to sequestrations and estates of the deceased. The sum written off represents a negligible proportion of the net charges billed in these years.

6.3. The value of accounts currently marked for write off in the Non Domestic Rates system for rating years 2007/2008, 2008/2009 and 2009/2010 totals £878,879.28. These debts are deemed to be irrecoverable because the debtor is in liquidation, has ceased trading or has been sequestrated. The sum written off represents 0.4% of the net charges billed in these years. Non Domestic Rates write offs are increasing as a result of the number of companies in liquidation due to the recession.

6.4. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £99,671.31. This debt relates mainly to liquidations, sequestrations and the estates of the deceased. Appendix 3 summarises the value of written off accounts for each Council Resource. The majority of the accounts written off relate to financial years 2003/2004 to 2008/2009 and the sum written off represents 0.063% of the charges raised during this period.

- 6.5. Approval is sought for the write off of Former Tenant House and Lockup Rent totalling £108,198.12. Full details of all rent write offs are retained to ensure that anyone applying to the Council for housing is required to clear their outstanding arrears. The sum written off represents a negligible proportion of the rent charges billed between 2003/2004 and 2009/2010.
- 6.6. The proposed write off for Factoring Arrears totals £3,644.38. This debt relates to sequestrations and estates of the deceased.
- 6.7. A full list of all debts proposed for write off is held by Executive Director (Housing and Technical Resources).
- 7. Employee Implications**
- 7.1. None.
- 8. Financial Implications**
- 8.1. Provision has been made for the financial impact of all write offs.
- 9. Other Implications**
- 9.1. None.
- 10. Equality Impact Assessment and Consultation Arrangements**
- 10.1. There is no requirement to carry out an impact assessment in terms of the proposals within this report.
- 10.2. There is no requirement to undertake any consultation in relation to the content of this report.

**Linda Hardie**  
**Executive Director (Finance and Information Technology Resources)**

**Jim Hayton**  
**Executive Director (Housing and Technical Resources)**

5 October 2009

**Link(s) to Council Values and Objectives**

- ♦ Value: Accountable Effective and Efficient

**Previous References**

- ♦ Finance and Information Technology Resources Committee of 7 July 2009

**List of Background Papers**

- ♦ System Reports from Council Tax, Non Domestic Rates, Sundry Debt, Housing Rent and Community Charge Systems

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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**SOUTH LANARKSHIRE COUNCIL**  
**REVENUES COLLECTION**  
**FOR PERIOD ENDING 31 AUGUST 2009**

<b>Annual Cash Budget £000's</b>	<b>Budget Target to 31/08/09 £000's</b>	<b>Actual to 31/08/09 £000's</b>	<b>Variance to 31/08/09 £000's</b>		<b>% Variance to 31/08/09</b>	<b>Notes</b>
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**FINANCIAL YEAR 2009/2010**

Council Tax	102,720	63,254	63,268	14	over	0.01%
Non Domestic Rates	180,484	69,217	69,614	397	over	0.2%
Sundry Accounts	83,850	83,850	83,964	114	over	0.1%

**ARREARS**

Council Tax	2,500	1,339	1,436	97	over	3.9%
Non Domestic Rates	2,000	1,592	1,749	157	over	7.8%
Sundry Accounts	10,960	8,582	8,458	(124)	under	1.1%
Community Charge	75	31	16	(15)	under	20.3%

**SOUTH LANARKSHIRE COUNCIL**  
**REVENUES DEBT**  
**FOR PERIOD ENDING 31 AUGUST 2009**

	Outstanding Debt As At 01/04/09	Debt Movement Since 01/04/09	Current Balance to 31/08/09	Provision	Unprovided
<i><b>ARREARS</b></i>	£000's	£000's	£000's	£000's	£000's
Council Tax	48,100	(1,938)	46,162	40,620	5,542
Non Domestic Rates	7,614	(1,767)	5,847	4,994	853
Sundry Debt	13,081	(8,458)	4,623	2,122	2,501
Community Charge	31,124	(16)	31,108	31,124	(16)
<b>Total</b>	<b>99,919</b>	<b>(12,179)</b>	<b>87,740</b>	<b>78,860</b>	<b>8,880</b>

## SOUTH LANARKSHIRE COUNCIL

## APPROVAL FOR WRITE OFF: SUNDRY DEBTS

FOR PERIOD ENDING 31 AUGUST 2009

RESOURCE	WRITE OFF
	£
Community	2,401.80
Corporate	29.36
Education	4,224.79
Enterprise	4,783.43
Finance & IT	1,784.44
Housing & Technical	86,447.49
Social Work	-
<b>TOTAL</b>	<b>99,671.31</b>