

Report

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	19 May 2009
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenues Collection as at 31 March 2009 and Approval for Write Off
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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 March 2009
- ◆ Seek approval for write offs.

2. Recommendation(s)

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

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

◆ Council Tax	£443,976.94
◆ Sundry Debt	£81,074.04
◆ Housing and Lockup Rent	£129,151.46
◆ Factoring Charges	£3,342.75

3. Background

- 3.1. The collection of Council Tax, Non Domestic Rates, Sundry Debt and Community Charge is a major function of Housing and Technical Resources. The attached Appendices provide information on collection performance for current and previous years.
- 3.2. In summary, collection levels for 2008/2009 have been affected by the economic downturn and the Council is experiencing reduced levels of collection, in common with many other local authorities. We have been unable to deliver the targeted improvements in collection performance and have seen a reduction in Council Tax collection performance for the first time since Housing and Technical Resources took responsibility for Revenue collection in 1999/2000.

4. Current 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 2008/2009 to 31 March 2009.

- 4.2. The 2008/2009 annual target for Council Tax collection was set at 95.35% and a collection rate of 94.9% was achieved, £0.531m (0.5%) behind target. Council Tax collection was also below comparable performance in 2007/2008 by 0.3%. Unprecedented levels of recovery activity were undertaken this year, with letters, telephony and visiting programmes, however, it is clear that Council Tax payers are feeling the effects of the recession and many were not in a position to make payment.
- 4.3. The 2008/2009 annual target for Non Domestic Rates collection was set at 98.0% and a collection rate of 97.2% was achieved, £1.423m (0.8%) behind target and below comparable performance in 2007/2008 by 0.6%. Collection of Non Domestic Rates has been significantly affected by the economic conditions, with an increase in companies entering administration. However, due to the operation of a pooling system for NDR, collection of NDR income has no direct impact on Council funding.
- 4.4. The 2008/2009 annual target for Sundry Debt collection was set at 98.1% and a collection rate of 98.2% was achieved, £0.063m (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 2008/2009 arrears target for Council Tax was set at £3.0m, with arrears collection of £2.751m achieved, behind target by £0.249m (8.3%).
- 5.3. The 2008/2009 arrears target for Non Domestic Rates (NDR) was set at £2.5m, with arrears collection of £2.308m achieved, behind target by £0.192m (7.7%).
- 5.4. The collection of Sundry Account arrears for 2008/2009 totalled £12.369m, £0.713m (5.5%) behind target.
- 5.5. Community Charge arrears collection of £0.089m was achieved, behind target by £0.031m (25.8%). 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 2008/2009 totals £443,976.94. This debt relates mainly to sequestrations and estates of the deceased. The sum written off represents 0.03% of the net charges billed in these years.
- 6.3. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £81,074.04. This debt relates mainly to liquidations, sequestrations and the estates of the deceased. Appendix 3 summarises the value of written off accounts relevant to each Council Resource. The majority of the accounts written off relate to financial years 2002/2003 to 2007/2008 and the sum written off represents 0.11% of the charges raised during this period.

- 6.4. Approval is sought for the write off of Former Tenant House and Lockup Rent totalling £129,151.46. 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 0.09% of the rent charges billed between 2004/2005 and 2008/2009.
- 6.5. The proposed write off for Factoring Arrears totals £3,342.75. This debt relates to sequestrations and estates of the deceased.
- 6.6. A full list of all debts proposed for write off is held by the Executive Director of 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. Equalities 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)

21 April 2009

Link(s) to Council Objectives and Values

- ◆ Accountable, effective and efficient

Previous References

- ◆ Minutes of Finance and Information Technology Resources Committee of 3 March 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 MARCH 2009

Annual Cash Budget £000's	Budget Target to 31/03/09 £000's	Actual to 31/03/09 £000's	Variance to 31/03/09 £000's		% Variance to 31/03/09	Notes
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FINANCIAL YEAR 2008/2009

Council Tax	102,559	102,559	102,028	(531)	under	0.5%
Non Domestic Rates	173,104	173,104	171,681	(1,423)	under	0.8%
Sundry Accounts	119,735	119,735	119,798	63	over	0.1%

ARREARS

Council Tax	3,000	3,000	2,751	(249)	under	8.3%
Non Domestic Rates	2,500	2,500	2,308	(192)	under	7.7%
Community Charge	120	120	89	(31)	under	25.8%
Sundry Accounts	13,082	13,082	12,369	(713)	under	5.5%

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL

REVENUES DEBT

FOR PERIOD ENDING 31 MARCH 2009

	Outstanding Debt As At 01/04/08	Debt Movement Since 01/04/08	Current Balance to 31/03/09	Provision	Unprovided
<i>ARREARS</i>	£000's	£000's	£000's	£000's	£000's
Council Tax	45,837	(4,110)	41,727	40,716	1,011
Non Domestic Rates	6,466	(3,590)	2,876	4,847	(1,971)
Community Charge	31,205	(89)	31,116	31,205	(89)
Sundry Debts	14,536	(12,369)	2,167	2,487	(320)
Total	98,044	(20,158)	77,886	79,255	1,369

SOUTH LANARKSHIRE COUNCIL

APPROVAL FOR WRITE OFF: SUNDRY DEBTS

FOR PERIOD ENDING 31 MARCH 2009

RESOURCE	WRITE OFF
	£
Community	7,291.13
Corporate	1,554.50
Education	-
Enterprise	11,050.32
Finance & IT	3,138.32
Housing & Technical	39,585.92
Social Work	18,453.85
TOTAL	81,074.04