

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	2 October 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Collection and Approval for Write Offs
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise Committee of Revenue Collection performance for financial year 2019/2020 to the end of July 2019
- ◆ seek approval for write offs

2. Recommendation(s)

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

- (1) that performance in the collection of revenue be noted; and
- (2) that write offs for the following be approved:-
- | | |
|---------------------------------------|---------------|
| ◆ Council Tax | £417,971.63 |
| ◆ Non Domestic Rates | £1,502,818.65 |
| ◆ BID Levy | £11,211.51 |
| ◆ Sundry Debt | £103,419.76 |
| ◆ Housing Rent and associated charges | £160,305.00 |

3. Background

3.1. Responsibility for the collection of Council Tax, Non Domestic Rates (NDR) and Sundry Debt is the responsibility of Finance and Corporate Resources. This report and the attached appendix provide information on collection performance and proposals for write off.

4. Current Collection Performance

- 4.1. The first table in Appendix 1 presents the collection performance for Council Tax, NDR and Sundry Debts for financial year 2019/2020.
- 4.2. The annual Council Tax collection target for 2019/2020 has been set at 95.8%. Council Tax collection is currently 40.66%, ahead of target by 0.06% and ahead of comparable performance in 2018/2019 by 0.13%.
- 4.3. A Non Domestic Rates (NDR) collection target of 98.0% has been set for 2019/2020. NDR collection is currently 28.6%, ahead of target by 0.1% and ahead of comparable performance in 2018/2019 by 0.1%.
- 4.4. The 2019/2020 annual target for Sundry Debt collection has been set at 98.0%. Sundry Debt collection to 31 July 2019 was 97.8%, below target by 0.2%.

5. Arrears Collection Performance

- 5.1. Arrears collection performance for Council Tax, NDR and Sundry Debt is presented in the second table of Appendix 1.
- 5.2. The 2019/2020 arrears annual target for Council Tax has been set at £3.500m, with collection to 31 July 2019 of £1.455m, behind target by £0.068m (1.9%).
- 5.3. The 2019/2020 arrears target for NDR has been set at £2.800m, with collection to 31 July 2019 of £0.713m, behind target by £0.105m (3.7%).
- 5.4. The 2019/2020 arrears target for Sundry Debt has been set at £8.991m, with collection to 31 July 2019 of £6.458m, behind target by £0.240m (2.7%).

6. Proposals for Write Off

- 6.1. Approval for write off of the following irrecoverable debts is requested from Committee. The Council has a statutory obligation to write off accounts where the debtor is deceased, sequestrated, in liquidation or the debt is prescribed.
- 6.2. The proposed write off of Council Tax accounts dating from 1993/1994 to 2019/2020 totals £417,971.63, relating mainly to prescribed debt, sequestrations and estates of the deceased.
- 6.3. The value of accounts currently marked for write off in the Non Domestic Rates system from rating years 2017/2018 to 2019/2020 totals £1,502,818.65. These debts are deemed to be irrecoverable because the debtor is in liquidation, has ceased trading or has been sequestrated.
- 6.4. Approval is sought for the write off of Business Improvement District (BID) Levies totalling £11,211.51, administered by the Council on behalf of the Hamilton and Carlisle BID companies. There is no financial impact on the Council for these write offs.
- 6.5. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £103,419.76.
- 6.6. Approval is sought for the write off of former tenant rent arrears of £124,264.71, factoring arrears of £519.38 and Housing Benefit Overpayments of £35,520.91.
- 6.7. A full list of all debts proposed for write off is held by the Executive Director (Finance and Corporate 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. The main risk associated with the Council's revenue collection is a failure to monitor collection rates and take effective corrective action where required, resulting in a significant reduction in collection performance and Council funding. The risk is managed through monthly performance reporting and review of performance at monthly Senior Management Meetings.

9.2. There are no implications for sustainability in terms of the information contained in this report.

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.

Paul Manning

Executive Director (Finance and Corporate Resources)

6 September 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self-aware and improving

Previous References

- ◆ Finance and Corporate Resources Committee - 7 August 2019

List of Background Papers

- ◆ System Reports from Council Tax, Non Domestic Rates, Sundry Debt and Academy Housing

Contact for Further Information

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

Craig Fergusson, Head of Finance (Transactions)

Ext: 4951 (Tel: 01698 454951)

E-mail: craig.fergusson@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
REVENUES COLLECTION
FOR PERIOD ENDING 31 JULY 2019

	Annual Cash Budget £000's	Budget Target to 31/07/19 £000's	Actual to 31/07/19 £000's	Variance to 31/07/19 £000's		% Variance to annual budget	Notes
FINANCIAL YEAR 2019/2020							
Council Tax	132,353	56,091	56,170	78	over	0.06%	
Non Domestic Rates	344,072	100,062	100,422	360	over	0.1%	
Sundry Debt	92,254	92,254	92,091	(163)	under	-0.2%	
ARREARS							
Council Tax	3,500	1,523	1,455	(68)	under	-1.9%	
Non Domestic Rates	2,800	818	713	(105)	under	-3.7%	
Sundry Debt	8,991	6,698	6,458	(240)	under	-2.7%	