

Report

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	1 June 2010
Report by:	Executive Director (Finance and Information Technology Resources) Executive Director (Housing and Technical Resources)

Subject:	Revenues Collection as at 31 March 2010 and Approval for Write Off
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise of Revenue Collection Performance to 31 March 2010
- ◆ 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 for financial year 2009/2010 be noted
- (2) write off approval is sought for:

• Council Tax	£592,871.12
• Sundry Debt	£134,751.04
• Housing Rent	£1,012,455.77

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 March 2010.
- 4.2. The 2009/2010 annual target for Council Tax collection was set at 95%. Collection performance for Council Tax achieved in 2009/2010 was 94.9%, £0.145m (0.1%) behind target. Collection was equal to comparable performance in 2008/2009, also 94.9%.

- 4.3. The 2009/2010 annual target for Non Domestic Rates collection was set at 97%. Non Domestic Rates collection for 2009/2010 was 97.2%, £0.415m (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 was set at 98.1%. Collection of Sundry Debt in 2009/2010 achieved 98.2%, £0.064m (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 was set at £2.5m. Collection performance for Council Tax arrears to 31 March 2010 totalled £2.715m, ahead of target by £0.215m (8.6%).
- 5.3. The 2009/2010 arrears target for Non Domestic Rates (NDR) was set at £2.0m. NDR arrears collection totalled £2.592m, £0.592m (29.6%) ahead of target. 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 in 2009/2010 totalled £10.937m, £0.982m (9.0%) under target.
- 5.5. Community Charge arrears collection in 2009/2010 totalled £0.061m, £0.014m (18.7%) under target. 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 £592,871.12. 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. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £134,751.04. 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 2009/2010 and the sum written off represents 0.1% of the charges raised during this period.
- 6.4. Approval is sought for the write off of Rent accounts totalling £1,012,455.77, including £0.415m of Housing Benefit overpayments and £0.367m of former tenant homeless rents, neither of which have a financial impact on the Housing Revenue Account. Full details of all rent write offs are retained to ensure that former tenants applying to the Council for housing are required to clear their outstanding arrears.

The sum written off represents 0.16% of the rent charges billed between 2003/2004 and 2009/2010.

- 6.5. 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)

Lindsay Freeland

Executive Director (Housing and Technical Resources)

27 April 2010

Link(s) to Council Objectives and Values

- ♦ Value: Accountable, effective and efficient

Previous References

- ♦ Finance and Information Technology Resources Committee of 19 January 2010

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 2010

Annual Cash Budget £000's	Budget Target to 31/03/10 £000's	Actual to 31/03/10 £000's	Variance to 31/03/10 £000's		% Variance to 31/03/10	Notes
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FINANCIAL YEAR 2009/2010

Council Tax	101,800	101,800	101,655	(145)	under	0.1%
Non Domestic Rates	177,626	177,626	178,041	415	over	0.2%
Sundry Accounts	112,969	112,969	113,033	64	over	0.1%

ARREARS

Council Tax	2,500	2,500	2,715	215	over	8.6%
Non Domestic Rates	2,000	2,000	2,592	592	over	29.6%
Sundry Accounts	11,919	11,919	10,937	(982)	under	9.0%
Community Charge	75	75	61	(14)	under	18.7%

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL

REVENUES ARREARS

FOR PERIOD ENDING 31 MARCH 2010

	Outstanding Arrears As At 01/04/09 £000's	Arrears Movement Since 01/04/09 £000's	Current Balance to 31/03/10 £000's	Provision £000's	Unprovided £000's
ARREARS					
Council Tax	48,100	(4,713)	43,387	40,620	2,767
Non Domestic Rates	7,614	(4,484)	3,130	4,994	(1,864)
Sundry Debt	13,081	(10,937)	2,144	2,122	22
Community Charge	31,124	(61)	31,063	31,124	(61)
Total	99,919	(20,195)	79,724	78,860	864

SOUTH LANARKSHIRE COUNCIL

APPROVAL FOR WRITE OFF: SUNDRY DEBTS

FOR PERIOD ENDING 31 MARCH 2010

RESOURCE	WRITE OFF
	£
Community	8,610.23
Corporate	15.09
Education	23,856.22
Enterprise	15,315.93
Finance & IT	10,717.97
Housing & Technical	57,160.10
Social Work	19,075.50
TOTAL	134,751.04