

Report

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Report to: **Finance and Information Technology Resources Committee**

Date of Meeting: **19 January 2010**

Report by: **Executive Director (Finance and Information Technology Resources) and Executive Director (Housing and Technical Resources)**

Subject: **Revenues Collection as at 30 November 2009 and Approval for Write Off**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise of Revenue Collection Performance to 30 November 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) that write off approval is sought for:

• Council Tax	£414,974.76
• Sundry Debt	£65,091.06
• Housing and Lockup Rent	£229,519.23
• Factoring Charges	£302.85.

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 30 November 2009.

4.2. The 2009/2010 annual target for Council Tax collection has been set at 95%. Collection performance for Council Tax is currently £0.097m (0.1%) ahead of target. Collection is ahead of comparable performance in 2008/2009 by 0.16%.

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 £0.014m (0.0%) 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 £0.060m (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 30 November 2009 is currently ahead of target by £0.037m (1.5%).

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 £0.566m (28.3%) and the annual collection target has been achieved. This is partly due to the settlement of significant individual debtor balances. 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 30 November 2009 is behind target by £0.226m (2.1%).

5.5 Community Charge arrears collection is under target by £0.020m (26.7%). 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 £414,974.76. 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 £65,091.06. 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 0.07% of the charges raised during this period.

- 6.4 Approval is sought for the write off of Former Tenant House and Lockup Rent totalling £229,519.23. 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.
- 6.5 The proposed write off for Factoring Arrears totals £302.85. 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)

9 December 2009

Link(s) to Council Objectives and Values

- ♦ 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 30 NOVEMBER 2009

Annual Cash Budget £000's	Budget Target to 30/11/09 £000's	Actual to 30/11/09 £000's	Variance to 30/11/09 £000's		% Variance to 30/11/09	Notes
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FINANCIAL YEAR 2009/2010

Council Tax	102,416	83,064	83,161	97	over	0.1%
Non Domestic Rates	176,962	121,319	121,333	14	over	0.0%
Sundry Accounts	113,642	113,642	113,702	60	over	0.1%

ARREARS

Council Tax	2,500	1,858	1,895	37	over	1.5%
Non Domestic Rates	2,000	1,741	2,307	566	over	28.3%
Sundry Accounts	10,960	9,178	8,952	(226)	under	2.1%
Community Charge	75	50	30	(20)	under	26.7%

SOUTH LANARKSHIRE COUNCIL

REVENUES DEBT

FOR PERIOD ENDING 30 NOVEMBER 2009

	Outstanding Debt As At 01/04/09 £000's	Debt Movement Since 01/04/09 £000's	Current Balance to 30/11/09 £000's	Provision £000's	Unprovided £000's
ARREARS					
Council Tax	48,100	(3,229)	44,871	40,620	4,251
Non Domestic Rates	7,614	(3,734)	3,880	4,994	(1,114)
Sundry Debt	13,081	(8,952)	4,129	2,122	2,007
Community Charge	31,124	(30)	31,094	31,124	(30)
Total	99,919	(15,945)	83,974	78,860	5,114

SOUTH LANARKSHIRE COUNCIL

APPROVAL FOR WRITE OFF: SUNDRY DEBTS

FOR PERIOD ENDING 30 NOVEMBER 2009

RESOURCE	WRITE OFF
	£
Community	593.70
Corporate	6.07
Education	193.19
Enterprise	7,434.23
Finance & IT	2,473.59
Housing & Technical	52,651.77
Social Work	1,738.51
TOTAL	65,091.06