

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>6 March 2024</b>
Report by:	<b>Chief Executive</b>

Subject:	<b>Revenue Collection and Approval for Write Offs</b>
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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 2023/2024 to 31 January 2024
- ◆ advise Committee of the position regarding the Business Rates Incentivisation Scheme (BRIS)
- ◆ 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;
- (2) that the current position in respect of BRIS be noted; and
- (3) that write offs for the following be approved:-
 

◆ Council Tax	£367,627.63
◆ Non-Domestic Rates	£308,194.95
◆ BID Levy	£3,649.55
◆ Sundry Debt	£476,867.06
◆ Housing Rent and associated charges	£2,230,788.77

## 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 2023/2024.
- 4.2. The annual Council Tax collection target for 2023/2024 has been set at 95.2%. Council Tax collection is currently 94.56%, ahead of target by 0.24% but behind comparable performance in 2022/2023 by 1.18%. Due to the Scottish Government's Cost of Living Award being allocated as an up-front cash payment at the beginning of 2022/2023, a comparison with the same period in 2023/2024 is not on a like-for-like basis.

- 4.3. A Non-Domestic Rates (NDR) collection target of 97.0% has been set for 2023/2024. NDR collection is currently 92.2%, ahead of target by 0.3% and behind comparable performance in 2022/2023 by 0.6%. The reduction in comparable performance is due to the profile of payments received in comparison with the same period last year.
- 4.4. The 2023/2024 annual target for Sundry Debt collection has been set at 97.0%. Sundry Debt collection to 31 January 2024 was 97.3%, ahead of target by 0.3% and ahead of comparable performance in 2022/2023 by 1.7%.

## **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 2023/2024 arrears annual target for Council Tax has been set at £3.000 million, with collection to 31 January 2024 of £2.828 million, ahead of target by £0.301 million (10.0%) but behind comparable performance in 2022/2023 by £0.432 million.
- 5.3. The 2023/2024 arrears target for NDR has been set at £2.000 million, with collection to 31 January 2024 of £2.263 million, ahead of target by £0.378 million (18.9%) but behind comparable performance in 2022/2023 by £0.760 million.
- 5.4. The 2023/2024 arrears target for Sundry Debt has been set at £9.519 million, with collection to 31 January 2024 of £8.863 million, behind target by 0.4% and behind comparable performance in 2022/2023 by 2.4%.

## **6. Business Rates Incentivisation Scheme**

- 6.1. The Business Rates Incentivisation Scheme (BRIS) is a Scottish Government initiative to incentivise growth of the local business tax base, with a view to increasing NDR income yields.
- 6.2. The Scottish Government sets annual targets for growth (buoyancy) and councils who achieve their target retain 50% of the additional income generated above the target. The buoyancy target is a measure of the increase in the total rateable value of the non-domestic properties on the Valuation Roll (including certain categories of public undertakings).
- 6.3. Following a period of suspension due to the impact of Covid-19 from 2020/2021 to 2022/2023, the Scottish Government have advised of the re-instatement of the scheme, providing provisional targets for 2023/2024 and 2024/2025 of 1.20% and 1.10% respectively. Year to date performance is 1% with the position being closely monitored to the end of the financial year.

## **7. Proposals for Write Off**

- 7.1. Approval for write off of the following irrecoverable debts is requested from Committee. The Council has the power to write off accounts where the debtor is deceased, sequestrated, in liquidation or the debt is prescribed or where the debt is deemed uneconomical to pursue.
- 7.2. The proposed write off of Council Tax accounts dating from 1993/1994 to 2023/2024 totals £367,627.63, relating mainly to prescribed debt, sequestrations and estates of the deceased.

- 7.3. The value of accounts currently marked for write off in the Non-Domestic Rates system from rating years 2021/2022 to 2023/2024 totals £308,194.95. These debts are deemed to be irrecoverable because the debtor is in liquidation, has ceased trading or has been sequestered.
- 7.4. Approval is sought for the write off of Business Improvement District (BID) Levies totalling £3,649.55, administered by the Council on behalf of the Hamilton, Carlisle and Lanark BID companies. There is no financial impact on the Council for these write offs.
- 7.5. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £476,867.06. Appendix 2 provides a breakdown of the proposed write-off over categories.
- 7.6. Approval is sought for the write off of former tenant rent arrears of £2,230,448.51 (including the final bulk write-offs for financial years 2018/2019 and 2019/2020) and factoring arrears of £340.26.
- 7.7. A full list of all debts proposed for write off is held by the Executive Director (Finance and Corporate Resources).

## **8. Employee Implications**

- 8.1. None.

## **9. Financial Implications**

- 9.1. Provision has been made for the financial impact of all write offs.

## **10. Climate Change, Sustainability and Environmental Implications**

- 10.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

## **11. Other Implications**

- 11.1. 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.

## **12. Equalities Impact Assessment and Consultation Arrangements**

- 12.1. There is no requirement to carry out an impact assessment in terms of the proposals within this report.
- 12.2. There is no requirement to undertake any consultation in relation to the content of this report.

**Paul Manning**  
**Chief Executive**

16 February 2024

**Link(s) to Council Values/Priorities/Outcomes**

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

**Previous References**

- ◆ Finance and Corporate Resources Committee - 6 December 2023

**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](mailto:craig.fergusson@southlanarkshire.gov.uk)

**SOUTH LANARKSHIRE COUNCIL**  
**REVENUES COLLECTION**  
**FOR PERIOD ENDING 31 JANUARY 2024**

	<b>Annual Cash Budget £000's</b>	<b>Budget Target to 31/01/24 £000's</b>	<b>Actual to 31/01/24 £000's</b>	<b>Variance to 31/01/24 £000's</b>		<b>% Variance to annual budget</b>	<b>Notes</b>
<b>FINANCIAL YEAR 2023/2024</b>							
Council Tax	154,165	152,762	153,136	374	over	0.24%	
Non-Domestic Rates	361,703	342,686	343,923	1,237	over	0.3%	
Sundry Debt	119,873	119,873	120,218	345	over	0.3%	
<b>ARREARS</b>							
Council Tax	3,000	2,527	2,828	301	over	10.0%	
Non-Domestic Rates	2,000	1,885	2,263	378	over	18.9%	
Sundry Debt	9,519	8,900	8,863	(37)	under	-0.4%	

**Appendix 2**

**BREAKDOWN OF PROPOSED  
SUNDRY DEBT WRITE-OFF**

<b>Resource</b>	<b>Service</b>	<b>No. of Accounts</b>	<b>Value (£)</b>
Housing & Technical	Estates	19	29,677.67
	H&T General	25	12,366.85
	Housing Support Services	12	1,908.64
	Rechargeable Repairs / Property Services	1,132	321,889.30
Social Work	Non-Residential Services	649	107,105.34
Finance & Corporate	Housing Benefit Overpayments / Licencing & Registration / Sundry Income Team	4	3,919.26
	<b>Total</b>	<b>1,841</b>	<b>476,867.06</b>