

Report

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Report to: **Finance and Corporate Resources Committee**
 Date of Meeting: **20 June 2018**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Revenue Collection and Approval for Write Offs**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise Committee of the Revenue Collection performance for financial year 2017/2018 to 31 March 2018
- ◆ 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 | £48,417.36 |
| ◆ BID levies | £600.54 |
| ◆ Sundry invoices | £2,668.56 |
| ◆ Housing Rent and associated charges | £71,028.40 |

3. Background

3.1. Collection of Council Tax, Non Domestic Rates (NDR), and Sundry invoices is the responsibility of Finance and Corporate Resources. This report and attached appendix provides 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 invoices, for financial year 2017/2018, to 31 March 2018.

4.2. The annual Council Tax collection target for 2017/2018 was set at 95.3%. A Council Tax collection rate of 95.7% was achieved, ahead of target by £0.510m (0.4%) and exceeding comparable performance in 2016/2017 by 0.2%.

4.3. A Non Domestic Rates (NDR) collection target of 97.8% was set for 2017/2018. A NDR collection rate of 97.0% was achieved, below target by £2.611m (0.8%) and behind comparable performance in 2016/2017 by 0.9%. The reduction in collection performance was due to an increase in net charges of £2.8m in late March (due to late additions to the valuation roll by the Assessor). However, it is anticipated that these charges will be collected early in 2018/2019.

4.4. The 2017/2018 annual target for Sundry invoice collection was set at 98.0%. A Sundry collection rate of 98.0% was achieved, marginally below target by £0.049m (0.0%).

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 annual arrears target for Council Tax was set at £3.25m, with collection of £4.175m achieved, ahead of target by £0.925m (28.4%).
- 5.3. The annual arrears target for NDR was set at £2.8m, with collection of £3.041m achieved, ahead of target by £0.241m (8.6%).
- 5.4. The annual arrears target for Sundry invoices was set at £9.948m, with collection of £9.413m achieved, below target by £0.535m (5.4%).

6. Proposals for Write Off

- 6.1. Approval for write off of the following irrecoverable debts for financial year 2017/2018 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 2017/2018 totals £48,417.36, relating mainly to prescribed debt, sequestrations and estates of the deceased.
- 6.3. Following consultation and agreement with Resources, the proposed write off of Sundry invoices totals £2,668.56.
- 6.4. Approval is sought for the write off of Business Improvement District (BID) Levies totalling £600.54, administered by the Council on behalf of the Hamilton and Carluke BID companies. There is no financial impact on the Council for these write offs.
- 6.5. Approval is sought for the write off of former tenant rent arrears of £63,819.59 and Housing Benefit Overpayments of £7,208.81.
- 6.6. 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 the proposed 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 action where required results in a 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)

25 May 2018

Link(s) to Council Values/Ambitions/Objectives

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

Previous References

- ◆ Finance and Corporate Resources Committee – 25 April 2018

List of Background Papers

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

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 2018

	Annual Cash Budget £000's	Budget Target to 31/03/18 £000's	Actual to 31/03/18 £000's	Variance to 31/03/18 £000's		% Variance to annual budget	Notes
FINANCIAL YEAR 2017/2018							
Council Tax	119,704	119,704	120,214	510	over	0.4%	
Non Domestic Rates	323,434	323,434	320,823	(2,611)	Under	-0.8%	
Sundry invoices	101,445	101,445	101,396	(49)	under	0.0%	
ARREARS							
Council Tax	3,250	3,250	4,175	925	over	28.4%	
Non Domestic Rates	2,800	2,800	3,041	241	over	8.6%	
Sundry invoices	9,948	9,948	9,413	(535)	under	-5.4%	