

Report

8

Report to: **Finance and Corporate Resources Committee**
 Date of Meeting: **25 April 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 28 February 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 | £333,687.05 |
| ◆ Sundry invoices | £52,878.89 |
| ◆ Housing Rent and associated charges | £358,382.40 |

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 28 February 2018.

4.2. The annual Council Tax collection target for 2017/2018 has been set at 95.3%. Council Tax collection is currently 94.6%, ahead of target by £0.228m (0.2%) and ahead of comparable performance in 2016/2017 by 0.13%.

4.3. A Non Domestic Rates (NDR) collection target of 97.8% has been set for 2017/2018. NDR collection is currently 97.2%, ahead of target by £2.039m (0.6%) and ahead of comparable performance in 2016/2017 by 0.6%.

4.4. The 2017/2018 annual target for Sundry invoice collection has been set at 98%. Sundry collection is currently 97.8%, below target by £0.192m (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 annual arrears target for Council Tax has been set at £3.25m, with collection of £3.823m to date, ahead of target by £0.605m (18.6%).
- 5.3. The annual arrears target for NDR has been set at £2.8m, with collection of £3.010m to date, ahead of target by £0.225m (8.0%).
- 5.4. The annual arrears target for Sundry invoices has been set at £9.948m, with collection of £8.286m to date, below target by £0.667m (6.7%).

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 2017/2018 totals £333,687.05, 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 £52,878.89.
- 6.4. Approval is sought for the write off of former tenant rent arrears of £217,544.88, factoring arrears of £7,547.84 and Housing Benefit Overpayments of £133,289.68.
- 6.5. 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 within 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)

26 March 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 - 7 February 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:-

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 28 FEBRUARY 2018

	Annual Cash Budget £000's	Budget Target to 28/02/18 £000's	Actual to 28/02/18 £000's	Variance to 28/02/18 £000's		% Variance to annual budget	Notes
FINANCIAL YEAR 2017/2018							
Council Tax	119,836	118,767	118,995	228	over	0.2%	
Non Domestic Rates	320,395	316,464	318,503	2,039	over	0.6%	
Sundry invoices	101,294	101,294	101,102	(192)	under	-0.2%	
ARREARS							
Council Tax	3,250	3,218	3,823	605	over	18.6%	
Non Domestic Rates	2,800	2,785	3,010	225	over	8.0%	
Sundry invoices	9,948	8,953	8,286	(667)	under	-6.7%	