

Report

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Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	1 February 2011
Report by:	Executive Director (Housing and Technical Resources) and Chief Executive

Subject:	Revenues Collection as at 30 November 2010 and Approval for Write Off
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise Committee of Revenue Collection Performance to 30 November 2010
- ◆ Seek approval for write offs.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the performance to date in Revenue Collection Performance be noted
- (2) that write off for the following is approved:

• Non Domestic Rates	£617,498.19
• Council Tax	£164,900.64
• Sundry Debt	£31,109.57
• Housing and Lockup Rent	£61,042.81

3. Background

3.1. The collection of Council Tax, Non Domestic Rates, Sundry Debt and Community Charge is a major function of Housing and Technical Resources. The attached Appendices provide information on collection performance for current and previous years.

4. Current 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 2010/2011 to 30 November 2010.

4.2. The 2010/2011 annual target for Council Tax collection has been set at 95%. The in year collection performance for Council Tax is currently £0.119m (0.1%) below target but ahead of comparable performance in 2009/2010 by 0.05%. This represents a similar position to the previous month. Additional ad hoc recovery targeting both owners and tenants has taken place during December to improve collection performance.

- 4.3. The 2010/2011 annual target for Non Domestic Rates collection has been set at 97.0%. Non Domestic Rates collection for 2010/2011 is currently £2.377m (1.0%) behind target. NDR cash flow has been significantly affected by a change in the payment profile of Public Undertakings (Electricity) following the 2010/2011 revaluation. Phasing of collection targets has been adjusted to reflect the revised payment profiles and will be subject to close monitoring during the financial year. However, due to the operation of a pooling system for NDR, collection of NDR income has no direct impact on Council funding.
- 4.4. The 2010/2011 annual target for Sundry Debt collection has been set at 98.1%. Collection of Sundry Debt is currently £0.056m (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 2010/2011 arrears target for Council Tax has been set at £2.5m. The collection performance for Council Tax arrears to 30 November 2010 is currently ahead of target by £0.086m (3.4%).
- 5.3. The 2010/2011 arrears target for Non Domestic Rates (NDR) has been set at £2.0m. NDR arrears collection is currently ahead of target by £0.029m (1.4%). 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 2010 is ahead of target by £0.126m (1.4%).
- 5.5. Community Charge arrears collection is under target by £0.015m (20.0%). 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, sequestered or in liquidation.
- 6.2. The proposed write off of Council Tax accounts dating from 1993/1994 to 2010/2011 totals £164,900.64. 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. The value of accounts currently marked for write off in the Non Domestic Rates system for rating years 2008/2009, 2009/2010 and 2010/2011 totals £617,498.19. These debts are deemed to be irrecoverable because the debtor is in liquidation, has ceased trading or has been sequestered. The sum written off represents 0.3% of the net charges billed in these years.

- 6.4. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £31,109.57. This debt relates mainly to liquidations, sequestrations and the estates of the deceased. Appendix 3 summarises the value of written off accounts relevant to each Council Resource. The majority of the accounts written off relate to financial years 2004/2005 to 2010/2011 and the sum written off represents 0.01% of the charges raised during this period.
- 6.5. Approval is sought for the write off of Former Tenant House and Lockup Rent totalling £61,042.81. 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 2004/2005 and 2010/2011.
- 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. 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.

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.

Archie Strang
Chief Executive

Lindsay Freeland
Executive Director (Housing and Technical Resources)

23 December 2010

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ Finance and Information Technology Resources Committee 9 November 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 30 NOVEMBER 2010

Annual Cash Budget £000's	Budget Target to 30/11/10 £000's	Actual to 30/11/10 £000's	Variance to 30/11/10 £000's		% Variance to 30/11/10	Notes
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FINANCIAL YEAR 2010/2011

Council Tax	102,692	83,559	83,440	(119)	under	-0.1%
Non Domestic Rates	234,004	155,118	152,742	(2,377)	under	-1.0%
Sundry Accounts	70,087	70,087	70,143	56	over	0.1%

ARREARS

Council Tax	2,500	1,906	1,992	86	over	3.4%
Non Domestic Rates	2,000	1,707	1,736	29	over	1.4%
Community Charge	75	50	35	(15)	under	-20.0%
Sundry Accounts	8,749	7,394	7,520	126	over	1.4%

SOUTH LANARKSHIRE COUNCIL
REVENUES DEBT
FOR PERIOD ENDING 30 NOVEMBER 2010

	Outstanding Debt	Debt Movement	Current Balance	Provision	Unprovided
	As At 01/04/10	Since 01/04/10	to 30/11/10		
<i>ARREARS</i>	£000's	£000's	£000's	£000's	£000's
Council Tax	49,763	(2,694)	47,069	42,529	4,540
Non Domestic Rates	8,251	(3,747)	4,504	5,562	(1,058)
Community Charge	31,063	(35)	31,028	31,063	(35)
Sundry Debts	12,572	(7,520)	5,052	2,428	2,624
Total	101,649	(13,996)	87,653	81,582	6,071

SOUTH LANARKSHIRE COUNCIL
APPROVAL FOR WRITE OFF: SUNDRY DEBTS
FOR PERIOD ENDING 30 NOVEMBER 2010

RESOURCE	WRITE OFF
	£
Community	537.57
Corporate	30.00
Education	159.88
Enterprise	15,336.20
Finance & IT	751.66
Housing & Technical	13,825.14
Seemis	0.01
Social Work	469.11
TOTAL	31,109.57