

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	10 November 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Collection and Approval for Write Offs
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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 2021/2022 to 30 September 2021
- ◆ advise Committee of the latest 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	£168,766.22
◆ Non-Domestic Rates	£10,970.77
◆ Sundry Debt	£154,087.49
◆ Housing Rent and associated charges	£133,877.04

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 2021/2022.
- 4.2. The annual Council Tax collection target for 2021/2022 has been set at 94.0%. Council Tax collection is currently 59.94%, ahead of target by 0.88% and ahead of comparable performance in 2020/2021 by 1.49%.
- 4.3. A Non-Domestic Rates (NDR) collection target of 96.0% has been set for 2021/2022. NDR collection is currently 47.0%, ahead of target by 0.1% and ahead of comparable performance in 2020/2021 by 6.2%.
- 4.4. The 2021/2022 annual target for Sundry Debt collection has been set at 92.0%. Sundry Debt collection to 30 September 2021 was 96.9%, ahead of target by 4.9% and ahead of comparable performance in 2020/2021 by 1.6%.

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 2021/2022 arrears annual target for Council Tax has been set at £3.200 million, with collection to 30 September 2021 of £2.519 million, ahead of target by £0.294 million (9.2%) and ahead of comparable performance in 2020/2021 by £0.703 million.
- 5.3. The 2021/2022 arrears target for NDR has been set at £6.000 million, with collection to 30 September 2021 of £6.206 million, ahead of target by £0.650 million (10.8%) and ahead of comparable performance in 2020/2021 by £5.809 million. The high arrears collection is directly related to a higher value of additions made to the valuation roll by the Assessor in March 2021.
- 5.4. The 2021/2022 arrears target for Sundry Debt has been set at £9.447 million, with collection to 30 September 2021 of £7.288 million, behind target by £0.005 million (0.1%) and behind comparable performance in 2020/2021 by 0.4%.

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. On 3 September 2021, the Scottish Government advised that the Council is to retain £0.225 million of BRIS income in relation to 2019/2020 as the buoyancy achieved of 1.38% was 0.38% above target.
- 6.4. As a result of the impact of Covid-19, the Scottish Government also confirmed that the scheme has been suspended for both 2020/2021 and 2021/2022.

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 2021/2022 totals £168,766.22, 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 2019/2020 to 2021/2022 totals £10,970.77. These debts are deemed to be irrecoverable because the debtor is in liquidation, has ceased trading or has been sequestrated.
- 7.4. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £154,087.49.

- 7.5. Approval is sought for the write off of former tenant rent arrears of £112,625.59, factoring arrears of £283.32 and Housing Benefit Overpayments of £20,968.13.
- 7.6. 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.
- 11.2. There are no implications for sustainability in terms of the information contained in this report.
- 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
Executive Director (Finance and Corporate Resources)

21 October 2021

Link(s) to Council Values/Ambitions/Objectives

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

Previous References

- ◆ Finance and Corporate Resources Committee - 1 September 2021

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:-

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SOUTH LANARKSHIRE COUNCIL
REVENUES COLLECTION
FOR PERIOD ENDING 30 SEPTEMBER 2021

	Annual Cash Budget £000's	Budget Target to 30/09/21 £000's	Actual to 30/09/21 £000's	Variance to 30/09/21 £000's		% Variance to annual budget	Notes
FINANCIAL YEAR 2021/2022							
Council Tax	137,049	86,108	87,391	1,283	over	0.88%	
Non-Domestic Rates	315,830	154,296	154,504	208	over	0.1%	
Sundry Debt	106,049	106,049	111,652	5,603	over	4.9%	
ARREARS							
Council Tax	3,200	2,225	2,519	294	over	9.2%	
Non-Domestic Rates	6,000	5,556	6,206	650	over	10.8%	
Sundry Debt	9,447	7,293	7,288	(5)	under	-0.1%	