

Report

Report to:	Finance and Corporate Resources Committee
Date of Meeting:	7 September 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Revenue Collection and Approval for Write Offs – 2021/2022
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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 31 March 2022
- ◆ 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	£307,403.37
◆ Sundry Debt	£523,853.20
◆ Housing Rent and associated charges	£415,555.37

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 was set at 94.0%. A Council Tax collection rate of 95.54% was achieved, ahead of target by 1.54% and ahead of comparable performance in 2020/2021 by 0.65%.
- 4.3. Council Tax performance is now reported nationally on a “line by line” basis, which adjusts for the impact of Scottish Water billing and collection. For information, the equivalent level of Council Tax collection for 2021/2022 when Scottish Water debts are removed is 96.19%, ahead of comparable performance in 2020/2021 by 0.64%.

- 4.4. A Non-Domestic Rates (NDR) collection target of 96.0% was set for 2021/2022. A NDR collection rate of 97.5% was achieved, ahead of target by 1.5% and ahead of comparable performance in 2020/2021 by 0.8%.
- 4.5. The 2021/2022 annual target for Sundry Debt collection was set at 92.0%. A Sundry Debt collection rate of 98.1% was achieved, ahead of target by 6.1% and ahead of comparable performance in 2020/2021 by 0.3%.

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 was set at £3.200 million, with collection of £4.289 million, ahead of target by £1.089 million (34.0%) and ahead of comparable performance in 2020/2021 by £0.782 million.
- 5.3. The 2021/2022 arrears target for NDR was set at £6.000 million, with collection of £7.290 million, ahead of target by £1.290 million (21.5%) and ahead of comparable performance in 2020/2021 by £6.383 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 was set at £9.447 million, with collection of £8.606 million, behind target by £0.841 million (8.9%) but ahead of comparable performance in 2020/2021 by 2.6%.

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. As previously advised, due to the impact of COVID-19, the Scottish Government 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 £307,403.37, relating mainly to prescribed debt, sequestrations and estates of the deceased.
- 7.3. Following consultation and agreement with Resources, the proposed write off of Sundry Debt totals £523,853.20.
- 7.4. Approval is sought for the write off of former tenant rent arrears of £330,106.33, factoring arrears of £955.79 and Housing Benefit Overpayments of £84,493.25.

7.5. 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. Equality 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)

11 August 2022

Link(s) to Council Values/Priorities/Outcomes

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

Previous References

- ◆ Finance and Corporate Resources Committee - 9 February 2022

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 31 MARCH 2022

	Annual Cash Budget £000's	Budget Target to 31/03/22 £000's	Actual to 31/03/22 £000's	Variance to 31/03/22 £000's		% Variance to annual budget	Notes
FINANCIAL YEAR 2021/2022							
Council Tax	137,154	137,154	139,405	2,251	over	1.54%	
Non-Domestic Rates	310,031	310,031	314,994	4,962	over	1.5%	
Sundry Debt	118,676	118,676	126,582	7,906	over	6.1%	
ARREARS							
Council Tax	3,200	3,200	4,289	1,089	over	34.0%	
Non-Domestic Rates	6,000	6,000	7,290	1,290	over	21.5%	
Sundry Debt	9,447	9,447	8,606	(841)	under	-8.9%	