

North Lanarkshire Council Report

Finance and Resources Committee

Does this report require to be approved? Yes No

Ref EK / GT

Date 26/02/25

Local Taxation Debt Write-Off 2024/25

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Executive Summary

The purpose of this report is to present to Committee the summary of outstanding local taxation accounts which are deemed uncollectible following all attempts at recovery. In accordance with financial guidelines a provision for credit losses has previously been established for the outstanding accounts. The total recommended for write-off in 2024/25 is £1,865,293.88.

Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledge the decision of the Chief Officer (Finance) to write off £413,426.13 for debts under £500 under delegated responsibilities.
- (2) Approve the write-off of all items over £500 to the value of £1,451,867.75.

The Plan for North Lanarkshire

Priority	Improve North Lanarkshire's resource base
Ambition statement	(21) Continue to identify and access opportunities to leverage additional resources to support our ambitions
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 For the financial year 2024/25, the Council has billed £174m for Council Tax and £136m for Non Domestic Rates charges.
- 1.2 The Council follows best practice and legislation in relation to the recovery of outstanding charges for Council Tax (including water and sewerage charges) and Non Domestic Rates. This includes issuing reminder letters, agreeing payment plans with individuals and business and passing outstanding debt to the Council's contracted Sheriff Officer, Walker Love, for further recovery action.
- 1.3 Despite these processes there are a number of debts that are deemed uncollectible. This annual process of assessing the likelihood of debt non-recovery conforms to accepted best accounting practice and reflects a reasonable assessment of expected income.
- 1.4 Despite the recommendation for write-off, there will continue to be an appraisal of outstanding balances to re-assess those which are deemed uncollectible, especially where circumstances may have changed.

2. Report

- 2.1 An analysis of outstanding balances has been conducted and £1,865,293.88 has been identified as uncollectible:

Cause Analysis	Council Tax £	Non Domestic Rates £	Total £
Deceased	746,888.19	0.00	746,888.19
Liquidation / sequestration etc	300,721.67	817,684.02	1,118,405.69
Total	1,047,609.86	817,684.02	1,865,293.88

Value Analysis			
< £500	403,634.11	9,792.02	413,426.13
>£500	643,975.75	807,892.00	1,451,867.75
Total	1,047,609.86	817,684.02	1,865,293.88

- 2.2 The values written off during 2023/24 were as follows:

Cause Analysis	Council Tax £	Non Domestic Rates £	Total £
Deceased	1,736,073.22	0.00	1,736,073.22
Liquidation / sequestration etc	1,379,512.56	2,468,820.47	3,848,333.03
Total	3,115,585.78	2,468,820.47	5,584,406.25

- 2.3 During 2023/24 the service conducted a comprehensive review of outstanding accounts going back to 1993 resulting in a more significant write-off figure in the

previous financial year. The figure proposed for write-off in 2024/25 reflects the standard annual review process.

- 2.4 Collection of local taxation is sought from all payees in the year of liability and subsequent years with use of diligence as appropriate. The level of in year collection is reported to each committee cycle and monitored on an ongoing basis.
- 2.5 Over time the collection of outstanding sums is prevented where there is no longer any legal basis to collect. This occurs where a person or business is subject to a sequestration, bankruptcy, winding-up or where the estate of the deceased has no funds to meet the debt and there is no other liable party.
- 2.6 Council Tax debt for years up to and including 2018/19 have been fully provided for and as such there is no costs to the Council associated with the write-off of these debts. For subsequent years, the Council has made an assessment of likely irrecoverable debts. This assessment is subject to ongoing review as part of regular monitoring of the Council Tax position and a consideration in completing the Council's statutory accounts each year.
- 2.7 There is no cost of the Council in respect of the Non Domestic Rates write off as this is accounted for in the pooled funding arrangements with Scottish Government.

3. Measures of success

- 3.1 The Council continues to take all reasonable steps to recover outstanding debt.

4. Supporting documentation

Not applicable.



Elaine Kemp
Chief Officer (Finance)

5. Impacts

<p>5.1 Public Sector Equality Duty and Fairer Scotland Duty Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>The write off of more recent Council Tax debts has the potential to impact on the in year Council income position. However, this is subject to ongoing monitoring of the overall Council Tax position and will be finalised as the Council completes its statutory annual accounts for 2023/24.</p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.4 Legal impact Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/></p>

<p>5.6</p>	<p>Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>5.7</p>	<p>Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.8</p>	<p>Communications impact Does the report contain any information that has an impact on the council's communications activities? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p>5.9</p>	<p>Risk impact Is there a risk impact? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?</p>
<p>5.10</p>	<p>Armed Forces Covenant Duty Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.</p>
<p>5.11</p>	<p>Children's rights and wellbeing impact Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).</p> <p>If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out? Yes <input type="checkbox"/> No <input type="checkbox"/></p>