
Report to **Clackmannanshire Council**

Date of Meeting: 27 November 2025

Subject: **Annual Review of Debtors 2024/25**

Report by: **Chief Finance Officer (S95 Officer)**

1.0 Purpose

- 1.1. To provide council with the annual update on income collection and to propose the 'write-off' of those debts which are deemed irrecoverable.

2.0 Recommendations

- 2.1. It is recommended that the council;
- 2.1.1. Note the trends in income collection for 2024/25;
- 2.1.2. Approve the proposed debt write-off of £719,639 (paragraph 6.2 & Appendix B);
- 2.1.3. Approve the write-off of school meal debt held within Schools of £3,543 (paragraph 4.6 & Appendix C)
- 2.1.4. Note and comment as appropriate on the other matters raised in the report.

3.0 Background

- 3.1. Responsibility for the collection and recovery of income due to Clackmannanshire Council principally lies with the Finance and Revenues Service within the Partnership & Performance Directorate. All income collected by the service is done so in accordance with the Council's Corporate Debt Recovery and Write-Off Policy. The Council also uses Sheriff Officers to administer collection on the Council's behalf. Stirling Park continues to provide this service to the Council.
- 3.2. This report analyses collection performance, updates members on recovery actions taken and service developments, and proposes the write-off across all debt streams for the financial year.
- 3.3. During the year bills and invoices totalling £85.483m were issued by the Council. This is an increase from £80.101m issued in 2023/24. The following paragraphs set out the details for each income stream.

4.0 Income Streams

Council Tax Collection

- 4.1. In 2024/25, Council Tax bills totalling £37.142m were issued to 25,315 households. In 2024/25 the Council Tax charge was frozen in line with the 2023/24 charges. Total income received for Council Tax in 2024/25 was £35.313m. This includes income in relation to water and sewerage charges that are included in the annual council tax bill and collected by the Council on behalf of Scottish Water. Charges for water and sewerage are set by Scottish Water on an annual basis.
- 4.2. The key indicator of performance for Council Tax collection (excluding water and sewerage) is the in-year collection rate. This represents the total amount of Council Tax collected as a percentage of the total amount billed. In 2024/25 the in-year collection rate was 96.2%. This is an increase of 0.3% on the recorded collection rate of 95.9% in 2023/24 and 0.7% above the national average of 95.5% for 2024/25.
- 4.3 Throughout the year the Revenues team have continued to focus on processing applications for Council Tax Reduction (CTR). We have also continued to review processes and look for ways to improve efficiency. We work closely with the Department of Work & Pensions (DWP) and the Council utilises its ATLAS information system which is used to ensure that all CTR cases are identified and processed.
- 4.4 There has been continued development of our online services for Council Tax payers with our Citizens Access - Revenues Portal during 2024/25. This gives council tax payers the ability to view their Council Tax liability details, manage their payment methods, report changes and apply for various discounts and exemptions. A further development in 2025/26 will be the roll out of E-Billing, where Council Tax payers will be able to receive their Council Tax bills electronically rather than in paper form.

Sundry Debt Collection

- 4.5 During 2024/25 sundry debtor invoices totalling £5.024m (£5.678m 2023/24) were issued by the Council. A sundry debt is the name given for invoices raised for chargeable council services. Other chargeable services include; client contribution towards care, commercial waste and after school fees. However, large invoices for Health and Social care to the NHS and Stirling Council are also raised using the same approach. Individual services are responsible for raising their own invoices with payments monitored by Finance and Revenues.

School Meal Debt

- 4.6 Debt that is due to unpaid School meal income is initially attempted to be recovered by the school. However, once this balance reaches £50, it is then transferred to sundry debtors to raise an invoice. As at the 31 March 2025 there is a balance of unpaid debt within the schools of £3,543 for 2024/25. This is a significant reduction from 2023/24, mainly due to the changes in free school

meal entitlement. There were no invoices raised as sundry Debts in 2024/25. Detail of the debt by each school is included in Appendix C.

Non Domestic Rates (NDR) Collection

- 4.7 Clackmannanshire Council are required to bill and collect Non Domestic Rates (NDR) on behalf of the Scottish Government. Income is then pooled and distributed to Councils, under the rates pooling system. During 2024/25 the council billed businesses for rates totalling £20.549m (2023/24 £19.067m). The collection rate for 2024/25 as a percentage of the total billed was 95.97%. This is decrease of 1.4% on previous collection rate of 97.37%.
- 4.8 There have been a number of legislative changes relating to NDR administration in Scotland. The latest revaluation took effect from 1 April 2023 and the Small Business Bonus Scheme thresholds were amended. In addition to this, the relief for empty properties was removed from statute and is now determined locally from 1 April 2023. The Council approved a revised policy for 2024/25 which reduced entitlement to relief for various categories of empty rateable properties such as listed buildings etc.

Housing

- 4.9 The total gross rental liability for 2024/25 payable by approximately 5,000 council tenants and associated lock-ups was £22.768m (2023/24 £21.337m).
- 4.10 Overall, rent arrears decreased during the year by £0.501m to a total of £1.832m (2023/24 £2.333m). As a percentage of gross rental income, the arrears represent 7.16% (2023/24 10.6%) which is equivalent to approximately £361 (2023/24 £462) per house. Housing officers work closely with tenants to reduce the occurrence and build-up of arrears. The main comparison used by the SHR is Indicator 31 - Gross rent arrears, which has decreased by 3.99% to 7.16%.
- 4.11 In addition to the debtor for rents, the Housing debtor also includes unpaid invoices for rechargeable repairs and Housing Benefit Overpayments. The following sections sets out details for each of the categories of debts within Housing. Appendix A summarises the arrears position for Housing debts broken down by category for the years 2022/23 to 2024/25.

Current Rent Arrears

- 4.12 The tables below provide a breakdown of current rent arrears and the impact of Universal Credit (UC). It should be noted that the Scottish Housing Regulator (SHR), to allow for comparisons between Councils and Housing Associations, allow for some year-end adjustments to the arrears figures particularly dealing with UC Payments meant for the previous financial year.

- 4.13 Table 1 below details that in the last financial year, current arrears increased by £0.008m.

Table 1 – Current and Former Tenant Arrears

	2021/22	2022/23	2023/24	2024/25	Current / Last Year Increase (Decrease)
Gross rent arrears (current and former tenants) as a % (SHR indicator 31)	10.66%	11.51%	11.15%	7.16%	(3.99%)
SHR Current tenant rent arrears value	£873,255	£861,742	£601,708	£620,950	£19,242
SHR Current Tenant arrears as a %	3.63%	3.32%	2.42%	1.77%	(0.65%)
SHR Former Tenant arrears as a %	7.03%	8.19%	8.73%	5.48%	(3.25%)

- 4.14 The following table provides a breakdown of arrears cases by value band over the last three financial years and the movement in each of those bands.

Table 2 – Breakdown of arrears case load

	2022/23	2023/24	2024/25	Current / Last Year Increase (Decrease)
Total No of current rent accounts in arrears	1,895	1,527	1,863	338
Greater than £4,000	6	2	0	(2)
Between £3,000 & £3,999	13	0	2	2
Between £2,000 & £2,999	40	26	13	(13)
Between £1,000 & £1,999	172	130	99	(31)
Between £500 & £999	257	211	248	37

Between £0 and £499	1,407	1,158	1,501	345
Highest rent account balance	£7,438.24	£4,398.42	£3,465.94	(£932.48)

4.15 Table 3 provides a further breakdown of arrears value per case and the illustration between those arrears' cases claiming Universal Credit Housing Cost Assistance and those in arrears who are not.

Table 3 – Current arrears and UC cases

	2021/22	2022/23	2023/24	2024/25	Current / Last Year Change
Total Arrears Value	£873,255	£861,742	£601,708	£620,950	£19,242
Average value per case	£488	£454	£407	£385	(£22)
Total Number of UC cases in arrears at year end	1,226	1,398	1,213	1,484	271
Total Arrears value for UC cases	£637,562	£669,646	£493,835	£503,625	£9,790
Average value per case	£520	£479	£407	£339	£1
Non UC claimants in arrears at year end	564	501	314	379	65
Total Arrears value for non UC cases	£235,694	£192,096	£107,873	£117,325	£9,452
Average value per case	£418	£383	£344	£310	(£34)
Total Number of UC claimants at year end	2,049	2,204	2,409	2,713	304
% UC claimants in arrears	59.83%	63.43%	50.35%	45.45%	(4.90%)

Former Tenant Arrears

4.16 Tenancies end for a variety of reasons including abandonment, eviction or death. When there is a balance on the account these arrears can be difficult to collect if for example, there is no forwarding address, or the deceased has no estate.

- 4.17 The total former tenant arrears at the 31 March 2025 was £1.209m (including lock-ups) made up of 1,361 cases. This is a decrease from 2023/24 of £0.559m and over 1,200 cases.

Housing Benefit Overpayments

- 4.18 An overpayment of Housing Benefit (HB) occurs when an individual receives an award of benefit that is then deemed not to have been due. This can occur for a variety of reasons, including claimant error, fraud, a backdated change in circumstances or Local Authority (LA) error. For existing HB claimants any overpayment can be recovered from ongoing entitlement where possible, but for others, customers are required to make arrangements to repay. In 2024/25 the Revenues Team worked closely with the DWP to review processes around the collection of Housing Benefit Overpayments. This focused on utilising new methods of recovery such as the payment deduction programme in which the Council was able to collect an additional £15,271 in 2024/25.
- 4.19 At the end of 2024/25 there were outstanding Housing Benefit Overpayments relating to Council tenancies for both Former and Current Tenants of £0.841m. This is a decrease of £0.103m from 2023/24.

5.0 Overall Debt Position

- 5.1 The following table shows the current debt position for all income streams.

Table 4 – Overall Debt Position

Debtor	2022/23 £000	2023/24 £000	2024/25 £000
Council Tax	12,488	12,418	12,652
Sundry Debtors	3,408	2,589	2,366
HRA Debts	3,779	3,543	3,543
Total Gross Debtor	19,675	18,550	18,561

- 5.2 The Council's debtors' position reflects the total amount due to the Council.

6.0 Irrecoverable Debt for Write-Off

- 6.1 Each financial year the council is required to propose accounts for write-off from each income stream in accordance with the Corporate Debt and Write-off Policy.
- 6.2 The table below highlights the proposed write-off from each income stream along with a comparison of the accounts approved for write-off in financial year 2024/25.

Table 5 – Debt Write Off

	Approved Write Off 2023/24		Proposed Write Off 2024/25	
Type of Debt	Number of accounts	Value £	Number of accounts	Value £
Council Tax	1,332	444,128	729	264,029
NDR	66	139,190	67	225,400
Sundry Debt	876	114,600	1,260	147,703
Former Tenant Arrears (incl. Lockups and Recharges)	1,899	805,238	137	75,745
Housing Benefit Overpayments	142	6,078	36	6,762
Total	3,705	1,509,234	2,229	719,639

- 6.3 During 2023/24 there was a targeted exercise to review outstanding debt within Former Tenant Arrears which resulted in a large write-off for debt that due to its age was no longer deemed recoverable.
- 6.4 Accounts can be proposed for write-off for a number of reasons including;
- Deceased – where the customer has died and left no estate.
 - Sequestration – The customer has applied for and been awarded bankruptcy and there is unlikely to be any dividend for creditors.
 - Untraceable – No up-to-date contact information is available for the customer and all means of contacting them have been exhausted.
 - Small Balance – The balance outstanding on the account is small and it is not deemed cost effective to pursue.
 - Management Write-Off – Management have agreed to the write-off of the debt due on a particular case due to the individual circumstances of the customer.
 - Time Lapsed – Where the debt has prescribed under the Prescription and Limitation (Scotland) Act 2018 and it has been more than 5 years since last contact from the customer. This excludes debt relating to Council Tax, NDR and Housing Benefit Overpayment.
- 6.5 Appendix B provides a breakdown by reason for the proposed write-off of debts in each income stream.

7.0 Sustainability Implications

7.1. None.

8.0 Resource Implications

8.1. *Financial Details*

8.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

8.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

8.4. *Staffing*

9.0 Exempt Reports

9.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☒

Our families; children and young people will have the best possible start in life ☐

Women and girls will be confident and aspirational, and achieve their full potential ☐

Our communities will be resilient and empowered so that they can thrive and flourish ☐

(2) Council Policies

Complies with relevant Council Policies ☒

8.0 Impact Assessments

8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

Yes ☐

8.2 If an impact assessment has not been undertaken you should explain why:

An Impact Assessment is not needed as there are no changes to existing service delivery and policy.

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix A – Housing Debts at 31 March 2025

Appendix B – Proposed Write-offs at 31 March 2025

Appendix C – School Meal Debt by School at 31 March 2025

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Ben Watson	Team Leader – Revenues & Benefits	6228
Nicola Mack	Chief Accountant	2032
Lindsay Sim	Chief Finance Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Strategic Director – P&P	

Housing Debts at 31 March 2025

The Housing Debtor relates to all income collected in relation to the Housing Service, including residential, lock up and garage rents, re-chargeable repairs and Housing Benefit Overpayments. The Housing Debtor can be broken into the following different categories.

HRA arrears position 2022/23 to 2024/25

	2022/23 £000	2023/24 £000	2024/25 £000
Current Tenant Arrears (incl lock ups)	872	618	870
Former Tenant Arrears (incl lock ups)	1622	1,761	1,209
HB Overpayments (HRA only)	965	944	841
Rechargeable Repair	320	220	135
Miscellaneous	30	0	0
Total Gross Debtor	3,779	3,543	3,055
Provision	(3,446)	(3,416)	(2,829)
Total Net Debtor	333	127	226

* Figures for 2024/25 are draft, subject to audit of the annual accounts.

For 2024/25 the gross Debtor has reduced by £0.488m. This is mainly due to a decrease in Former Tenant Arrears following the targeted exercise to review outstanding debt and the subsequent write-off of £0.806m. This is partly offset by an increase in current tenant arrears of £0.252m.

Housing rent is managed by the Tenancy Management Team and Housing Officers work closely with tenants to help them to sustain their tenancy and pay their rent.

Proposed Write-Offs at 31 March 2025

- 1.1 The following paragraphs set out for each of the proposed debt streams, the total amounts and number of cases by reason for write-off showing comparison to the previous year. Full case records are retained by the Revenues Team for audit purposes.
- 1.2 Current Tenant arrears are managed by the Tenancy Management Team, within Housing. These debts are dealt with separately and are not included within the proposed write-off below.

Council Tax and Water Charges

- 1.3 The following table details the proposed write-offs for Council Tax and Water Charges by reason

	2023/24		2024/25	
Reason	No of Accounts	Total £	No of Accounts	Total £
Deceased	585	156,340	519	134,742
Sequestration	305	165,835	169	123,526
Untraceable	325	113,562	39	5,753
Small Balance	86	476	2	8
Time Barred	31	7,915	-	-
TOTAL	1,332	444,128	729	264,029

- 1.4 The proposed write off for Council Tax has decreased from 2023/24 by £0.180m with a decrease of 603 cases.
- 1.5 51% of the council tax debt being proposed for write-off is due to death of debtors leaving no estate. A further 47% being proposed for write-off are due to people being sequestered or entering a Trust Deed. The remaining 2% are where there is no information to contact the rate payer to pursue the debt and small balances.

Non Domestic Rates (NDR)

1.6 The following table details the proposed write-offs for NDR by reason.

Year	2023/24		2024/25	
Reason	No of Accounts	Total £	No of Accounts	Total £
Untraceable	49	79,992	29	69,864
Sequestration/ Liquidation	3	12,837	27	95,907
Ceased Trading/ Dissolved	12	45,805	11	59,629
Small Balance	1	5	-	-
Deceased	1	551	-	-
Total	66	139,190	67	225,400

1.7 The number of cases proposed for write-off has increased slightly from 2023/24, however there has been a 61.9% increase in the total value of proposed write-offs indicating a higher average value per case than 2023/24.

1.8 The largest proportion of cases and debt values identified for write-off (42.5%) are attributable to ratepayers who have been sequestered/placed into liquidation.

Sundry Debts

- 1.9 The following table sets out the detailed reasons for proposed write-off of Sundry Debts.

Year	2023/24		2024/25	
Reason	No of Accounts	Total £	No of Accounts	Total £
Ceased Trading	-	-	6	1,640
Deceased	-	-	744	71,599
Small Balances	191	1,153	30	233
Time Barred	685	113,447	480	74,232
Total	876	114,600	1,260	147,704

- 1.10 The majority of the debt proposed for write-off is within the categories of deceased (48%) and time barred (50%). For time barred, debt can only be pursued within 5 years and any debt older than this must be written-off.

Former Tenant Arrears

- 1.11 The following table sets out the detailed reasons for proposed write-off of former tenant arrears.

Year	2023/24		2024/25	
Reason	No of Accounts	Total £	No of Accounts	Total £
Untraceable	25	15,910	1	1,001
Deceased	106	45,023	44	15,999
Small Balances	131	7,153	10	1,162
Sequestration	34	18,159	17	18,773
Time Barred	993	606,781	65	38,810
Total	1,289	693,026	137	75,745

- 1.12 As noted within the main report at paragraph 6.3, there was a targeted review of former tenant arrears during 2023/24 which resulted in a large write-off of debt that was no longer deemed recoverable due to its age.

Housing Benefit Overpayments

- 1.13 The following table sets out the detailed reasons for proposed write-off of Housing Benefit Overpayments.

Year	2023/24		2024/25	
Reason	No of Accounts	Total £	No of Accounts	Total £
Deceased	7	4,315	2	6,553
Management Write off (DHP)	10	862	-	-
Small Balances	125	901	34	209
Total	142	6,078	36	6,762

- 1.14 97% of the total value to be written off is due to death which is broadly in line with the previous year. However, the number of accounts is significantly less.

APPENDIX C

School Meal Debt by School

1.1 The table below shows the outstanding income due for school meals, by school, that is not yet passed to sundry debtors.

School	2023-24 £	2024-25 £
Abercromby PS	1,690	1,449
Alva Academy	74	-
Alva PS	2,698	-
Clackmannan PS	83	15
Coalsnaughton PS	355	169
Craigbank PS & ELC Sauchie	390	-
Deerpark PS	129	-
Lochies School	78	-
Menstrie PS	222	-
Muckhart PS	40	71
Park PS	1,059	781
Redwell PS	-	20
St Bernadettes RC PS	464	-
St Mungos RS PC	436	314
St Serfs PS	931	-
Strathdevon PS	893	55
Sunnyside PS & ELC	3,141	189
Tillicoultry PS	867	480
TOTAL	13,550	3,543

1.2 As noted within paragraph 4.6 of the main report, there has been a significant reduction in School Meal Debt from the previous year mainly as a result of the change in entitlement to free school meals.