
Report to: Clackmannanshire Council

Date of Meeting: 25 June 2026

Subject: Annual Review of Debtors 2025/26

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. To provide Council with an annual update on income collection and seek approval to write off irrecoverable debts.

2.0 Recommendations

- 2.1. It is recommended that the council;
- 2.1.1. Note the trends in income collection for 2025/26;
 - 2.1.2. Approve the proposed debt write-off of £4,298,263 (paragraph 6.2 & Appendix B);
 - 2.1.3. Approve the write-off of school meal debt held within Schools of £9,624 (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 rests primarily with Finance and Revenues within Corporate Services. All income collection activity is undertaken in accordance with the Council's Corporate Debt Recovery and Write-Off Policy. Where appropriate, the Council also engages Sheriff Officers to act on its behalf in pursuing debt recovery, with Stirling Park continuing to provide this service.
- 3.2. This report reviews income collection performance provides an update to Members on recovery activity and service developments and seeks approval for the write-off of debts across all income streams for the financial year.
- 3.3. During the year, the Council issued bills and invoices totalling £94.443m, an increase from £85.483m in 2024/25. The following paragraphs provide a breakdown of performance across each income stream.

- 3.4. Council is asked to note that, following changes introduced by the Prescription (Scotland) Act 2018, which came into force in 2025, Council Tax and Non-Domestic Rates in Scotland are now subject to a true 20-year prescription period. Under section 7 of the Prescription and Limitation (Scotland) Act 1973, as amended, these debts are fully extinguished 20 years after they become legally enforceable, irrespective of any recovery action taken, acknowledgement given, or payment made during that period. Councils are therefore legally required to review and write off any debts that fall outwith this statutory time limit.
- 3.5. In simple terms, this means the Council can no longer recover any monies due for Council Tax or Non-Domestic Rates that are older than 20 years, even where repayments are currently being made.

4.0 Income Streams

Council Tax

- 4.1. During 2025/26, Council Tax bills totalling £41.181m were issued to 25,395 households incorporating a 13.0% increase in the Band D charge compared to 2024/25. Total income received in the year was £39.729m which 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 2025/26 the in-year collection rate was 96.1%. This is a decrease of 0.1% on the recorded collection rate of 96.2% in 2024/25.
- 4.3. There has been continued development of our online services for Council Tax payers through the introduction of electronic billing. Since going live in September 2025, 500 residents have opted to receive bills electronically, helping to reduce postage costs while supporting the Council's environmental sustainability.

Sundry Debt

- 4.4. During 2025/26 sundry debtor invoices totalling £7.605m (£5.024m 2024/25) 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.
- 4.5. Individual services are responsible for raising their own invoices with payments monitored by Finance and Revenues.

School Meal Debt

- 4.6 Debt relating to unpaid school meal income is initially pursued by individual schools. Where outstanding balances reach £50, the debt is transferred to Sundry Debtors for invoicing and recovery action.
- 4.7 As at 31 March 2026, the total outstanding balance across schools for 2025/26 was £9,624. This represents an increase of £6,081 compared to 2024/25. No invoices were raised through Sundry Debtors during 2025/26. A breakdown of outstanding debt by school is provided in Appendix C.

Non Domestic Rates (NDR)

- 4.8 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 2025/26 the council billed businesses for rates totalling £20.391m (2024/25 £20.549m). The collection rate for 2025/26 as a percentage of the total billed was 95.84%. This is decrease of 0.13% on the 2024/25 collection rate of 95.97%.

Housing

- 4.9 The total gross rental liability for 2025/26 payable by approximately 5,000 council tenants and associated lock-ups was £25.267m (2024/25 £22.768m).
- 4.10 Overall, rent arrears decreased during the year by £0.165m to a total of £1.667m (2024/25 £1.832m). As a percentage of gross rental income, the arrears represent 7.04% (2024/25 7.25%) which is equivalent to £347 (2024/25 £361) per house. Housing officers work closely with tenants to reduce the occurrence and build up of arrears.
- 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 2023/24 to 2025/26.

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.

Table 1 – Current and Former Tenant Arrears

	2022/23	2023/24	2024/25	2025/26	Current / Last Year Increase (Decrease)
Current tenant rent arrears value SHR figure	£861,472	£601,708	£620,950	£720,959	£100,009
Gross rent arrears (current and former tenants) as a % (SHR indicator 31)	11.51%	11.15%	7.25%	7.04%	(0.21%)
SHR Current Tenant arrears as a %	3.32%	2.42%	1.77%	1.77%	-
SHR Former Tenant arrears as a %	8.19%	8.73%	5.48%	5.27%	(0.21%)

4.13 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

Breakdown of arrears case load	2023/24	2024/25	2025/26	Current / Last Year Increase (Decrease)
Total No of current rent accounts in arrears	1,527	1,863	2,079	216
Greater than £4,000	2	0	0	0
Between £3,000 & £3,999	0	2	3	1
Between £2,000 & £2,999	26	13	18	5
Between £1,000 & £1,999	130	99	107	8
Between £500 & £999	211	248	278	30
Between £0 and £499	1,158	1,501	1,673	172
Highest rent account balance	£4,398.42	£3,465.94	£3,705.94	£240.00

4.14 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

	2022/23	2023/24	2024/25	2025/26	Current / Last Year Change
Total Arrears Value	£861,742	£601,708	£620,950	£720,959	£100,009
Average value per case	£454	£407	£385	£347	(£38)
Total Number of UC cases in arrears at year end	1,398	1,213	1,484	1,705	221
Total Arrears value for UC cases	£669,646	£493,835	£503,625	£598,913	95,288
Average value per case	£479	£407	£339	£351	£12
Non UC claimants in arrears at year end	501	314	379	374	(5)
Total Arrears value for non UC cases	£192,096	£107,873	£117,325	£122,046	£4,721
Average value per case	£383	£344	£310	£326	£16
Total Number of UC claimants at year end	2,204	2,409	2,713	3,064	351
% UC claimants in arrears	63.43%	50.35%	54.69%	55.65%	0.96%

Former Tenant Arrears

4.15 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.

4.16 The total former tenant arrears at the 31 March 2026 was £1.280m (including lock-ups) made up of 1,345 cases. This is an increase from 2024/25 of £0.071m but a decrease in of 16 cases.

Housing Benefit Overpayments

- 4.17 A Housing Benefit overpayment occurs when a customer receives more benefit than they were entitled to receive. This can happen for a number of reasons, including changes in circumstances, customer error or administrative error. Where possible, overpayments are recovered from ongoing benefit entitlement, with other customers required to make repayment arrangements.
- 4.18 During 2025/26, positive progress continued to be made in reducing outstanding debt, particularly through the increased use of Department for Work and Pensions (DWP) recovery methods such as the Payment Deduction Programme (PDP), which provides a sustainable long-term recovery route for customers in receipt of Universal Credit.
- 4.19 The total Housing Benefit Overpayments as at 31 March 2026 was £1.162m (£1.209m in 2024/25).

5.0 Overall Debt Position

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

Table 4

Debt Type	2023/24 £000	2024/25 £000	2025/26 £000
Council Tax	12,418	12,652	13,551
HRA Debts (excl Housing Benefit Overpayments)	2,599	2,214	2,370
Total Housing Benefit Overpayments (incl HRA)	1,825	1,209	1,162
Sundry Debt	2,589	2,366	1,581
Total Debt	19,431	18,441	18,664

- 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 for financial year 2024/25.

Table 5 – Debt Write Off

Type of Debt	Approved Write Off 2024/25		Proposed Write Off 2025/26	
	Number of accounts	Value £	Number of accounts	Value £
Council Tax	729	264,029	17,618	3,806,135
NDR	67	225,400	54	155,409
Sundry Debt	1,260	147,703	628	188,106
Former Tenant Arrears (incl Lockups and Recharges)	137	75,745	188	117,374
Housing Benefit Overpayments	36	6,762	174	31,239
Total	2,229	719,639	18,662	4,298,263

6.3 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 Barred – 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 and NDR which can be recovered upto 20 years (as noted above in paragraph 3.4).

6.4 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 has been consulted and has agreed the financial implications as set out in the report. Yes

8.4 Staffing

8.5 There are no staffing implications arising from this report.

9.0 Exempt Reports

9.1 Is this report exempt? Yes No

10.0 Declarations

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

(1) **Our Priorities** (Please double click on the check box)

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** (Please detail)

Complies with relevant Council Policies

11.0 Impact Assessments

11.1 Have you undertaken the required 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)

11.2 Yes No

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

There are no direct impacts resulting from the content of this report.

12.0 Legality

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

13.0 Appendices

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

Appendix A – Housing Debts at 31 March 2026

Appendix B – Proposed Write-offs at 31 March 2026

Appendix C – School Meal Debt by School at 31 March 2026

14.0 Background Papers


14.1 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
Lindsay Sim	Chief Finance Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Corporate Services	

Housing Debts at 31 March 2026

- 1.1 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 2023/24 to 2025/26

	2023/24 £000	2024/25 £000	2025/26 £000
Current Tenant Arrears (incl lock ups)	618	870	909
Former Tenant Arrears (incl lock ups)	1,761	1,209	1,280
HB Overpayments (HRA only)	944	841	751
Rechargeable Repair	220	135	181
Miscellaneous	0	0	0
Total Gross Debtor	3,543	3,055	3,121
Provision	(3,416)	(2,829)	(2,780)
Total Net Debtor	127	226	341

- 1.2 For 2025/26 the gross Debtor has increased by £0.066m. This is mainly due to an increase in Arrears in Current and Former arrears plus rechargeable repairs offset by a reduction in Housing Benefit Overpayments.
- 1.3 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 2026

- 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 including Water Charges by reason:

Reason	2024/25		2025/26	
	No of Accounts	Total £	No of Accounts	Total £
Deceased	519	134,742	444	138,382
Sequestration	169	123,526	68	39,025
Untraceable	39	5,753	-	-
Small Balance	2	8	2,284	14,849
Time Barred	-	-	14,822	3,613,879
TOTAL	729	264,029	17,618	3,806,135

- 1.4 The proposed write off for Council Tax including Water Charges has increased significantly due to the change in legislation that requires councils to write off debts beyond 20 years, regardless of interruption (as noted in paragraph 3.4 of the main report). Any Council Tax debt older than 20 years has been fully provided for within the bad debt provision.

Non-Domestic Rates (NDR)

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

Year	2024/25		2025/26	
Reason	No of Accounts	Total £	No of Accounts	Total £
Untraceable	29	69,864	14	10,327
Sequestration/ Liquidation	27	95,907	20	77,795
Ceased Trading/ Dissolved	11	59,629	17	66,909
Small Balance	-	-	3	18
Deceased	-	-	-	-
Total	67	225,400	54	155,049

1.6 The number of cases proposed for write-off has decreased by 19.4% from 2024/25, with the total value of proposed write offs reducing by 31.2%.

1.7 The largest proportion of cases and debt values identified for write-off (50.17%) are attributable to ratepayers who have been sequestrated/placed into liquidation.

Sundry Debts

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

Year	2024/25		2025/26	
Reason	No of Accounts	Total £	No of Accounts	Total £
Ceased Trading	6	1,640	-	-
Deceased	744	71,599	253	60,477
Small Balances	30	233	36	198
Time Barred	480	74,231	339	127,431
Total	1,260	147,703	628	188,106

1.10 The majority of the debt proposed for write-off is time barred (67.7%). For time barred, any debt that exceeds 5 years with no acknowledgement 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	2024/25		2025/26	
Reason	No of Accounts	Total £	No of Accounts	Total £
Untraceable	1	1,001	5	1,792
Deceased	44	15,999	84	48,252
Small Balances	10	1,162	14	181
Sequestration	17	18,773	20	18,773
Time Barred	65	38,810	65	48,376
Total	137	75,745	188	117,374

1.12 The majority of the proposed write-off is due to the debt being time barred (41.2%) and Deceased (41.1%).

Housing Benefit Overpayments

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

Year	2024/25		2025/26	
Reason	No of Accounts	Total £	No of Accounts	Total £
Deceased	2	6,553	35	12,710
Sequestered/Bankruptcy	-	-	1	6,612
Small Balances	34	209	20	154
Untraceable	-	-	118	11,763
Total	36	6,762	174	31,239

1.14 The majority of the debt proposed for write-off is due to Deceased (40.7%) and Untraceable (37.6%).

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	2024/25 £	2025/26 £
Abercromby PS	1,449	1,221
Banchory	-	1,150
Alva PS	-	3,136
Clackmannan PS	15	35
Coalsnaughton PS	169	-
Craigbank PS & ELC Sauchie	-	-
Deerpark PS	-	83
Lochies School	-	-
Menstrie PS	-	-
Muckhart PS	71	-
Park PS	781	2,385
Redwell PS	20	-
St Bernadettes RC PS	-	-
St Mungos RS PC	314	-
St Serfs PS	-	1,114
Strathdevon PS	55	-
Sunnyside PS & ELC	189	-
Tillicoultry PS	480	500
TOTAL	3,543	9,624

1.2 There were no sundry invoices for school meal debt raised in 2025/26.

