

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

21 SEPTEMBER 2010

REPORT OF THE DIRECTOR OF FINANCE

REVENUES AND BENEFITS

1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the position regarding Council Tax, National Non Domestic Rate, general debt and cash income collection and the payment of benefits.

2. REVENUES COLLECTION

- 2.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2010 to 31 July 2010 with the amount collected in the same period in 2009/10.

	Actual 2010/11	Actual 2009/10
	£	£
Cash to Collect	124,039,519	122,956,423
Cash Collected	47,782,413	47,188,362
% Collected	38.5	38.4

- 2.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2010 to 31 July 2010 with the amount collected in the same period in 2009-10.

	Actual 2010/11	Actual 2009/10
	£	£
Total Collectable (including arrears)	70,175,606	73,786,680
Amount Outstanding	50,509,441	46,927,491
% Outstanding	72.03	63.60
Amount Collectable	64,030,681	66,174,599
Net Cash Collected	23,920,120	25,912,409
% Collected	37.36	39.16

- 2.3. A slight overall improvement in collection levels has been seen so far during 2010-11 and the main reason for the disparity in collection at 31 July 2010 was the earlier internal transfer in 2009-10 of £2.5m for the payment of rates for Council properties.

- 2.4. The following statement provides information concerning collection of local taxes from 1 April 2010 to 31 July 2010.

	Council Tax	Business Rates
Reminders/Final Notices	29,154	1,738
Summonses	8,264	343
Liability Orders	4,638	307
Recovery action in progress		
Attachment of Earnings	571	
Deduction from Income Support	1,416	-
Accounts to Bailiff	2,600	115
Pre-Committal Warning Letters	1,448	-
Committal Orders Issued	1	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2010 to 31 July 2010.

Warrants of Arrest issued by Court (Bail and No Bail)	32
Warrants of Arrest (Bail) to Warrant officer	25
Warrants of Arrest (No Bail) to Warrant officer	12
Returned successful (Bail)	16
Returned successful (No Bail)	8
Returned other reasons (Bail)	3
Returned other reasons (No Bail)	2

2.5. Insolvency cases to 31 July 2010

The following information concerns Council Tax recovery work which involves cases where Insolvency action or charging orders against properties are used.

Bankruptcy cases	284
Charging orders	113
Winding up orders	3

New cases from 1 April 2010 to 31 July 2010

Bankruptcy	13
Charging orders	24
Winding up orders	<u>0</u>

Status of Insolvency cases at 31 July 2010

Winding-up paid	1
Charging orders granted	81
Winding up Order	1
Supporting other petitions	3
Cases paid	90
Bankruptcy orders	105
Cases closed	110
Ongoing cases	<u>46</u>
	<u>437</u>

2.6. Sundry Debtors

	Actual 2010/11	Actual 2009/10
Amount Billed in last 12 months as at 31.07.10	£96,582,910	£79,391,938
Total outstanding as at 31.07.10	£30,614,661	£18,384,955
Net Arrears at 31.07.10	£12,895,653	£9,376,586
Number of invoices in arrears at 31.07.10	12,509	11,530
Number of reminders 01.04.10 to 31.07.10	10,853	9,033

3. INCOME

3.1. The following budgets and income received relate to other sources of cash income generated by the Council:

	2009/10 Budget	Income to 31-Jul-09	2010/11 Budget	Income to 31-Jul-10
i. School Meals	£1,607,800	£472,566	£1,575,100	£578,782
ii. Sports Centres	£3,867,300	£1,073,433	£3,941,300	£1,510,928
iii. Golf Courses	£912,200	£441,978	£939,600	£422,463
iv. Burials and Cremations	£2,429,200	£654,541	£2,502,000	£642,762
v. Building Control Fees	£494,900	£245,300	£494,900	£154,419
vi. Land Charges	£358,300	£101,900	£358,300	£83,928
vii. Car Park (Pay and Display)	£2,496,900	£692,500	£2,496,900	£684,243
viii. Car Park (Penalty Notices)	£1,149,800	£308,900	£1,149,800	£231,644

3.2. Further explanation of the above budgets and income collection performance is provided below:

- (i) School Meals: It is expected that income will be slightly more than the budget.
- (ii) Sports Centres: This is a volatile area and income is being monitored closely. The Invigor8 income is expected to exceed budget.
- (iii) Golf Courses: It is anticipated that income will underachieve against budget by £175,000. The budget for golf income has not been achieved for at least the last three years.
- (iv) Burials and Cremations: Income levels are down when compared to this time last year. It is anticipated that income will underachieve against budget by around £80,000.
- (v) Building Control Fees income is declining and there was a deficit of £91,500 in 2009/10.
- (vi) Land Charges: Fee income is declining and there was a deficit of £61,500 in 2009/10.
- (vii) Car Park Income (Pay and Display Tickets). It is unlikely that the income will be achieved. The deficit in 2009/10 was £285,000.

(viii) Car Park Income (Penalty Notices): The shortfall in 2009/10 was £217,000 and is likely to be similar in the current year.

4. HOUSING BENEFITS

4.1. The following statement details the number of claimants in respect of benefit and the expenditure for Private Tenants and those in receipt of Council Tax Benefit up to 31 July 2010.

	2010/11	2009/10
Number of Private Tenant recipients	29,672	27,974
Total rent allowance expenditure	£39,469,438	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	8,683 £14,926,584	6,250
Number of Council Tax Benefit recipients	38,972	36,944
Total Council Tax Benefit expenditure	£31,067,694	
Total expenditure on benefit to date	£70,537,132	

4.2. The following statement provides information concerning the breakdown according to client type as at 31 July 2010.

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,154	1,848
Elderly and in receipt of J.S.A.	7,104	5,612
Working age and not receiving J.S.A.	5,414	1,144
Elderly and not in receipt of J.S.A.	<u>2,000</u>	<u>3,250</u>
Total	29,672	11,854

There are **41,526** benefit recipients in Wirral as at 31 July 2010.

4.3. Housing Benefit Fraud and Enquiries	To 31 July 2010
New Cases referred to Fraud team in period	636
Cases where fraud found and action taken	39
Cases investigated, no fraud found and recovery of overpayment may be sought	244
Cases under current investigation	211
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	7
Caution issued and accepted	22
Successful prosecution	10
Summons issued for prosecution purposes	5

4.4. Discretionary Housing Payments

4.4.1. Discretionary Housing Payments (DHP) may be awarded to provide short term financial assistance to Housing and Council Tax Benefit claimants who are experiencing difficulty meeting a shortfall in their rent or Council Tax because maximum benefit is not being paid.

4.4.2. DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2010/11 is £245,200 with an overall limit of £613,000 which the Authority must not exceed. To date I have paid £31,748 and committed a further £33,669 to the end of the financial year.

5. STAFFING IMPLICATIONS

5.1. There are none arising from this report.

6. EQUAL OPPORTUNITIES IMPLICATIONS

6.1. There are none arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1. There are none arising directly from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

8.1. There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

9.1. There are none arising directly from this report.

10. PLANNING IMPLICATIONS

10.1. There are none arising directly from this report.

11. LOCAL MEMBER SUPPORT IMPLICATIONS

11.1. There are none arising directly from this report.

12. BACKGROUND PAPERS

12.1. None were used in the preparation of this report.

13. RECOMMENDATION

13.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE