

## WIRRAL COUNCIL

### COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

1 OCTOBER 2012

<b>SUBJECT</b>	<b>REVENUES, INCOME AND BENEFITS - MONITORING 2012/13</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR PHIL DAVIES</b>
<b>KEY DECISION</b>	<b>NO</b>

#### 1.0 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.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2012 to 31 August 2012 with the amount collected in the same period in 2011/12:

	<b>Actual 2012/13 £</b>	<b>Actual 2011/12 £</b>
Cash to Collect	<b>125,771,283</b>	125,390,117
Cash Collected	<b>59,447,638</b>	59,698,586
% Collected	<b>47.3%</b>	47.6%

- 2.2 The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2012 to 31 August 2012 with the amount collected in the same period in 2011/12:

	<b>Actual 2012/13 £</b>	<b>Actual 2011/12 £</b>
Cash to Collect	<b>68,229,549</b>	66,456,556
Cash Collected	<b>34,341,290</b>	35,466,663
% Collected	<b>50.3%</b>	53.4%

- 2.3 The following statement provides information concerning the collection of local taxes from 1 April 2012 to 31 August 2012:

	<b>Council Tax</b>	<b>Business Rates</b>
Reminders/Final Notices	26,978	1,599
Summonses	1,749	429
Liability Orders	0	357

Recovery action commenced		
Attachment of Earnings	824	n/a
Deduction from Income Support	1,778	n/a
Accounts to Bailiff	2,926	76
Pre-Committal Warning Letters	1,030	-
Committal Orders Issued	8	0
Debtors Committed	2	0

#### Insolvency cases to 31 August 2012

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

Bankruptcy cases	342
Charging orders	230
Winding up orders	3

#### New cases from 1 April 2012 to 31 August 2012

Bankruptcy	13
Charging orders	28
Winding up orders	0

#### Status of Insolvency cases at 31 August 2012

Winding-up paid	1
Charging orders granted	162
Winding up Order	1
Supporting other petitions	3
Cases paid	105
Bankruptcy orders	133
Cases closed	167
Ongoing cases	<u>44</u>
	616

## 2.4 Sundry Debtors Invoices

Department	Actual 2012/13 £	Actual 2011/12 £
Adult Social Services	21,710,477	17,604,653
Children and Young People	1,410,165	725,720
Corporate Services	1,212,507	1,005,802
Finance	4,482,311	3,887,387
Law,/HR, Asset Management	414,861	454,789
Regeneration, Housing, Planning	10,632	18,140
Technical Services	3,583,847	3,826,317
Unallocated	484,921	190,321
Total outstanding at 31 August 2012	<u>32,339,881</u>	<u>27,332,489</u>
Number of reminders 01.04.12 to 31.08.12	12,556	13,258

## INCOME

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

	2012/13 Budget	Income to 31-Aug-12	2011/12 Budget	Income to 31-Aug-11
	£	£	£	£
School Meals	1,473,100	478,357	1,473,100	474,469
Sports Centres	4,161,000	1,855,000	3,627,100	1,214,000
Golf Courses	968,000	360,228	967,800	488,065
Burials and Cremations	2,652,700	947,634	2,577,000	858,609
Building Control Fees	494,900	170,094	494,900	167,055
Land Charges	358,300	83,418	358,300	86,149
Car Park (Pay and Display)	2,019,700	509,590	1,885,600	492,599
Car Park (Penalty Notices)	950,000	269,726	922,300	258,524

2.6 Further explanation of the income collection performance is provided below:

**School Meals:** A school meal service is provided by Metro Catering in 85 primary and special schools. The service costs £4.4 million of which £2.8 million is paid by schools (representing the cost of Free School Meals). The income generated is from the charges for a school meal (£2), school milk and other paid meals. The income at 31 August 2012 is 32% of the budget and reflects the term profile and a number of primary schools choosing to manage their own meals service. It is anticipated that the charges for meals and to schools for the year will cover the cost of the service however any variation in income would be reflected within the Schools Budget.

**Sports Centres:** It is expected that this budget target for 2012/13 will be exceeded. This is due, in part, to the continuing strong performance of income achieved from the Invigor8 scheme. Overall, income contributes 50% of the running costs of Sports Centres.

**Golf Courses:** The poor weather has again affected golf income. The situation will continue to be monitored throughout the year.

**Burials and Cremations:** Total income received from this service exceeds its running costs. At this stage income looks to be on target but the service is affected by seasonal trends and therefore, it is too early to make a more accurate estimate.

**Building Control Fees:** Income is reliant upon the housing market and investment by developers which has suffered in recent years and shows limited signs of improvement.

**Land Charges:** Legislative changes have increased competition for this service for which information is now available online. Fee income is declining and the procedures and financial projections are being reviewed.

**Car Park Income (Pay and Display Tickets):** Income from car parking and penalty charge notices has been declining for a number of years due to a number of reasons: recessionary pressures, competition from other retail areas, competition from private car parks, and greater compliance with parking conditions. Car parking is currently forecasting a £700,000 under recovery of income.

## HOUSING BENEFITS

- 2.7 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 August 2012:

	2012/13	2011/12
Number of <b>Private Tenant</b> recipients	<b>31,391</b>	30,453
Total rent allowance expenditure	<b>£59,635,422</b>	
Number under the <b>Local Housing Allowance</b> scheme ( <u>included in the above</u> )	11,937	9,935
	£23,283,791	
Number of <b>Council Tax Benefit</b> recipients	<b>39,980</b>	39,582
Total Council Tax Benefit expenditure	<b>£31,435,391</b>	
Total expenditure on benefit to date	<b>£91,070,813</b>	

- 2.8 The following statement provides information concerning the breakdown according to client type as at 31 August 2012

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,513	1,782
Elderly and in receipt of J.S.A.	6,674	5,135
Working age and not receiving J.S.A.	6,855	1,296
Elderly and not in receipt of J.S.A.	<u>2,349</u>	<u>3,431</u>
<b>Total</b>	<b>31,391</b>	<b>11,644</b>

There are **43,039** benefit recipients in Wirral as at 31 August 2012.

- 2.9 **Housing Benefit Fraud and Enquiries - 1 April 2012 to 31 August 2012**

New Cases referred to Fraud team in period	812
Cases where fraud found and action taken	36
Cases investigated, no fraud found and recovery of overpayment may be sought	206
Cases under current investigation	185
Surveillance Operations Undertaken	0

Cases where fraud found and action taken:	
Administration penalty	4
Caution issued and accepted	12
Successful prosecution	20
Summons issued for prosecution purposes	15

### **Discretionary Housing Payments**

- 2.10 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.
- 2.11 DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2012/13 is £522,238 with an overall limit of £1,159,688 which the Authority must not exceed. This has increased significantly this year as part of the government's measures to help alleviate hardship resulting from the LHA Reforms. To date I have paid £183,599, compared with £44,535 at this point last year, and committed £187,599 to the end of the financial year. On the basis of current awards, the projected DHP spend is £525,875. It is not the intention to exceed the government contribution and to that end, officers are undertaking a review to revise the number and levels of awards.

### **3.0 RELEVANT RISKS**

- 3.1 There are none directly related to this monitoring report.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 As this is a regular monitoring report no other options were considered.

### **5.0 CONSULTATION**

- 5.1 As this is a monitoring report there has been no external consultation.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There are no implications directly from this monitoring report.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 The non-achievement of income targets will require compensatory funding to be identified from other service areas or result in a variation to the budget which will have to be funded from balances. The Financial Monitoring report to Cabinet on 6 September 2012 made reference to the review of current year budgets (including income) in order to seek to address those areas where budgets are not being achieved.

7.2 There are no IT, staffing or asset implications arising directly from this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are no implications arising directly from this report.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are no implications relating to equality arising directly from this monitoring report.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are no implications arising directly from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no implications arising directly from this report.

## **12.0 RECOMMENDATION**

12.1 That the report be noted.

## **13.0 REASON FOR RECOMMENDATION**

13.1 The report is to provide an update to Committee on the financial issues.

FNCE/159/12

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## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Dates</b>
Report submitted to each meeting of the Council Excellence Overview and Scrutiny Committee	