

# WIRRAL COUNCIL

## COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

18 NOVEMBER 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 30 September 2010 with the amount collected in the same period in 2009/10.

	<b>Actual 2010/11</b>	<b>Actual 2009/10</b>
	<b>£</b>	<b>£</b>
Cash to Collect	<b>123,973,644</b>	122,872,487
Cash Collected	<b>71,068,413</b>	70,207,500
% Collected	<b>57.3</b>	57.1

- 2.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2010 to 30 September 2010 with the amount collected in the same period in 2009-10.

	<b>Actual 2010/11</b>	<b>Actual 2009/10</b>
	<b>£</b>	<b>£</b>
Total Collectable (including arrears)	<b>68,716,458</b>	72,643,248
Amount Outstanding	<b>34,123,000</b>	34,343,024
% Outstanding	<b>49.66%</b>	47.28%
Amount Collectable	<b>62,829,440</b>	65,399,452
Net Cash Collected	<b>34,364,556</b>	37,273,750
% Collected	<b>54.69%</b>	56.99%

- 2.3. In 2009-10 the internal posting of business rates for Council properties took place earlier in the year. Approximately £2.5m is scheduled to be posted in the coming weeks which should enhance collection levels to 1.5% higher than in 2009-10.

2.4. The following statement provides information concerning collection of local taxes from 1 April 2010 to 30 September 2010.

	<b>Council Tax</b>	<b>Business Rates</b>
Reminders/Final Notices	37,579	2,085
Summonses	10,577	369
Liability Orders	6,210	329
Recovery action in progress		
Attachment of Earnings	1,081	
Deduction from Income Support	2,252-	
Accounts to Bailiff	5,050	115
Pre-Committal Warning Letters	2,387	-
Committal Orders Issued	7	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2010 to 30 September 2010.

Warrants of Arrest issued by Court (Bail and No Bail)	32
Warrants of Arrest (Bail) to Warrant officer	30
Warrants of Arrest (No Bail) to Warrant officer	19
Returned successful (Bail)	16
Returned successful (No Bail)	8
Returned other reasons (Bail)	3
Returned other reasons (No Bail)	3

2.5. Insolvency cases to 30 September 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 30 September 2010

Bankruptcy	17
Charging orders	30
Winding up orders	<u>0</u>

Status of Insolvency cases at 30 September 2010

Winding-up paid	1
Charging orders granted	92
Winding up Order	1
Supporting other petitions	3
Cases paid	90
Bankruptcy orders	108
Cases closed	115
Ongoing cases	<u>37</u>
	<u>447</u>

## 2.6. Sundry Debtors

	<b>Actual 2010/11</b>	Actual 2009/10
Amount Billed in last 12 months as at 30.09.10	<b>£97,082,959</b>	£77,600,018
Total outstanding as at 30.09.10	<b>£24,324,837</b>	£24,693,205
Net Arrears at 30.09.10	<b>£15,756,069</b>	£12,522,756
Number of invoices in arrears at 30.09.10	<b>13,241</b>	11,285
Number of reminders 01.04.10 to 30.09.10	<b>17,116</b>	13,353

## 3. INCOME

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

	<b>2009/10 Budget</b>	<b>Income to 30-Sep-09</b>	<b>2010/11 Budget</b>	<b>Income to 30-Sep-10</b>
i. School Meals	£1,607,800	£640,927	£1,575,100	£729,459
ii. Sports Centres	£3,867,300	£2,092,967	£3,941,300	£2,305,274
iii. Golf Courses	£912,200	£582,600	£939,600	£578,891
iv. Burials and Cremations	£2,429,200	£983,302	£2,502,000	£995,491
v. Building Control Fees	£494,900	£325,800	£494,900	£254,705
vi. Land Charges	£358,300	£147,100	£358,300	£117,806
vii. Car Park (Pay and Display)	£2,496,900	£998,500	£2,496,900	£1,028,601
viii. Car Park (Penalty Notices)	£1,149,800	£430,400	£1,149,800	£362,931

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: 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 £180,000. The budget for golf income has not been achieved for at least the last three years.
- (iv) Burials and Cremations: Income levels are up when compared to this time last year. It is anticipated that income will underachieve against budget by around £120,000.
- (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 30 September 2010.

	2010/11	2009/10
Number of <b>Private Tenant</b> recipients	<b>29,740</b>	<b>28,088</b>
Total rent allowance expenditure	<b>£64,132,325</b>	
Number under the <b>Local Housing Allowance</b> scheme ( <u>included in the above</u> )	8,941 £23,328,427	6,772
Number of <b>Council Tax Benefit</b> recipients	<b>39,436</b>	<b>37,178</b>
Total Council Tax Benefit expenditure	<b>£31,095,851</b>	
Total expenditure on benefit to date	<b>£95,228,176</b>	

4.2. The following statement provides information concerning the breakdown according to client type as at 30 September 2010

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,104	1,842
Elderly and in receipt of J.S.A.	7,108	5,622
Working age and not receiving J.S.A.	5,518	1,176
Elderly and not in receipt of J.S.A.	<u>2,010</u>	<u>3,240</u>
<b>Total</b>	<b>29,740</b>	<b>11,880</b>

There are **41,620** benefit recipients in Wirral as at 30 September 2010.

4.3. **Housing Benefit Fraud and Enquiries** **To 30 September 2010**

New Cases referred to Fraud team in period	978
Cases where fraud found and action taken	60
Cases investigated, no fraud found and recovery of overpayment may be sought	357
Cases under current investigation	214
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	9
Caution issued and accepted	35
Successful prosecution	16
Summons issued for prosecution purposes	7

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 £49,935 and committed a further £52,386 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