

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

16 MARCH 2011

SUBJECT:	REVENUES, INCOME AND BENEFITS
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR JEFF GREEN
KEY DECISION?	NO

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 RECOMMENDATION/S

2.1 That the report be noted.

3.0 REASON/S FOR RECOMMENDATION/S

3.1 To update Members on financial issues.

4.0 BACKGROUND AND KEY ISSUES

4.1 REVENUES COLLECTION

4.1.1 The following statement compares the amount collected for **Council Tax** in the period 1 April 2010 to 31 January 2011 with the amount collected in the same period in 2009/10:

	Actual 2010/11 £	Actual 2009/10 £
Cash to Collect	123,827,907	122,324,234
Cash Collected	117,226,089	115,680,553
% Collected	94.7	94.6

Work is currently being undertaken under the Audit Commission National Fraud Initiative comparing the Council Tax Single Person Discount records against the Electoral Register. To date 1,565 cases have been processed and another 263 are currently under investigation. As at 31 January 2011 it has been established that 40 frauds have been perpetrated and 289 claims classified as errors. The net result has been savings totalling £50,339.48 of reclaimed discount.

4.1.2. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2010 to 31 January 2011 with the amount collected in the same period in 2009/10:

	Actual 2010/11 £	Actual 2009/10 £
Total Collectable (including arrears)	65,667,267	69,785,867
Amount Outstanding	8,311,991	9,789,315
% Outstanding	12.66%	14.03%
Amount Collectable 2010-11	61,598,689	63,390,727
Net Cash Collected	57,485,401	58,064,074
% Collected	93.32%	91.60%

4.1.3 The following statement provides information concerning the collection of local taxes from 1 April 2010 to 31 January 2011:

	Council Tax	Business Rates
Reminders/Final Notices	53,708	3,241
Summonses	13,996	714
Liability Orders	8,254	615
Recovery action in progress		
Attachment of Earnings	1,673	
Deduction from Income Support	3,473	
Accounts to Bailiff	7,900	495
Pre-Committal Warning Letters	4,074	-
Committal Orders Issued	7	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2010 to 31 January 2011:

Warrants of Arrest issued by Court (Bail and No Bail)	59
Warrants of Arrest (Bail) to Warrant officer	46
Warrants of Arrest (No Bail) to Warrant officer	25
Returned successful (Bail)	23
Returned successful (No Bail)	18
Returned other reasons (Bail)	4
Returned other reasons (No Bail)	5

Insolvency cases to 31 January 2011

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 January 2011

Bankruptcy	24
Charging orders	51
Winding up orders	0

Status of Insolvency cases at 31 January 2011

Winding-up paid	1
Charging orders granted	109
Winding up Order	1
Supporting other petitions	3
Cases paid	92
Bankruptcy orders	114
Cases closed	124
Ongoing cases	31
	475

4.1.4 Sundry Debtors

	Actual 2010/11	Actual 2009/10
Net Amount Billed in last 12 months @ 31.01.11	£90,420,753	£81,010,232
Total outstanding @ 31.01.11	£23,200,416	£20,959,148
Net Arrears @ 31.01.11	£15,009,605	£12,414,261
Number of invoices in arrears @ 31.01.11	15,804	12,796
Number of reminders 01.04.10 to 31.01.11	23,511	22,899

4.2. INCOME

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

	2009/10 Budget	Income to 31-Jan-10	2010/11 Budget	Income to 31-Jan-11
i. School Meals	£1,607,800	£1,354,724	£1,575,100	£1,431,782
ii. Sports Centres	£3,867,300	£3,298,411	£3,941,300	£3,570,497
iii. Golf Courses	£912,200	£706,845	£939,600	£679,941
iv. Burials and Cremations	£2,429,200	£1,757,448	£2,502,000	£1,801,683
v. Building Control Fees	£494,900	£543,400	£494,900	£376,843.75
vi. Land Charges	£358,300	£240,700	£358,300	£175,566.56
vii. Car Park (Pay and Display)	£2,496,900	£1,761,200	£2,496,900	£1,693,093.93
viii. Car Park (Penalty Notices)	£1,149,800	£751,300	£1,149,800	£618,944.41

4.2.2. 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.

4.3 HOUSING BENEFITS

4.3.1 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 January 2011:

	2010/11	2009/10
Number of Private Tenant recipients	29,805	29,134
Total rent allowance expenditure	£104,066,394	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	9,782 £39,730,751	7,661
Number of Council Tax Benefit recipients	39,040	38,304
Total Council Tax Benefit expenditure	£31,020,345	
Total expenditure on benefit to date	£135,086,739	

4.3.2 The following statement provides information concerning the breakdown according to client type as at 31 January 2011:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	14,936	1,779
Elderly and in receipt of J.S.A.	7,088	5,584
Working age and not receiving J.S.A.	5,758	1,193
Elderly and not in receipt of J.S.A.	<u>2,023</u>	<u>3,273</u>
Total	29,805	11,829

There are **41,634** benefit recipients in Wirral as at 31 January 2011.

4.3.3 **Housing Benefit Fraud and Enquiries** **To 31 January 2011**

New Cases referred to Fraud team in period	1,464
Cases where fraud found and action taken	100
Cases investigated, no fraud found and recovery of overpayment may be sought	618
Cases under current investigation	306
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	16
Caution issued and accepted	57
Successful prosecution	27
Summons issued for prosecution purposes	19

4.3.4 **Discretionary Housing Payments**

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.

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 £90,228 and committed a further £93,181 to the end of the financial year.

5.0 RELEVANT RISKS

5.1 None.

6.0 OTHER OPTIONS CONSIDERED

6.1 None.

7.0 CONSULTATION

7.1 None.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are none arising directly from this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 There are none arising directly from this report.

10.0 LEGAL IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 EQUALITIES IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising directly from this report.

FNCE/48/11

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APPENDICES

None.

REFERENCE MATERIAL

Information from relevant systems.

SUBJECT HISTORY (last 3 years)

Council Meeting	Dates
Report submitted to each Council Excellence Committee.	31 January 2011 18 November 2010 21 September 2010 08 July 2010