

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

12 JULY 2011

SUBJECT:	REVENUES, INCOME AND BENEFITS
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR STEVE FOULKES
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

2.1 That the report be noted.

3.0 REASON FOR RECOMMENDATION

3.1 To update Members on financial issues.

4.0 BACKGROUND AND KEY ISSUES

4.1 The following statement compares the amount collected for **Council Tax** in the period 1 April 2011 to 31 May 2011 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	125,512,298	124,020,263
Cash Collected	24,665,992	24,611,109
% Collected	19.7%	19.8%

4.2. Although there was no increase in Council Tax for 2011-12 cash to collect has risen by £1,750,000 owing to the removal of the 50% discount on Long Term Empty properties. It is anticipated that this amount will be more difficult to collect than the standard Council Tax charges and will inevitably have an impact on final collection levels.

- 4.3. The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2011 to 31 May 2011 with the amount collected in the same period in 2010-11:

	Actual 2011/12 £	Actual 2010/11 £
Total Collectable (including arrears)	73,674,930	70,910,892
Amount Outstanding	61,503,018	57,851,949
% Outstanding	83.48%	81.58%
Amount Collectable 2011-12	66,412,143	64,262,233
Net Cash Collected	12,183,609	12,225,233
% Collected	18.35%	19.02%

- 4.4. The following statement provides information concerning collection of local taxes from 1 April 2011 to 31 May 2011:

	Council Tax	Business Rates
Reminders/Final Notices	16,055	920
Summonses	2,938	111
Liability Orders	630	71
Recovery action in progress		
Attachment of Earnings	376	
Deduction from Income Support	986	
Accounts to Bailiff	1,108	53
Pre-Committal Warning Letters	774	-
Committal Orders Issued	0	0
Debtors Committed	0	0

- 4.5. Work is currently being undertaken under the Audit Commission National Fraud Initiative, comparing the Council Tax Single Person Discount records against the Electoral Register, which also includes rising 18s. To date 2,610 cases have been processed and another 76 are currently under investigation. As at 31 May 2011 it has been established that 95 frauds have been perpetrated and 418 claims classified as errors. The net result has been savings totalling £89,228.31 of reclaimed discount.

- 4.6. Current Status of Agent Work in respect of Committals for non payment in respect of 1 April 2011 to 31 May 2011:

Warrants of Arrest issued by Court (Bail and No Bail)	20
Warrants of Arrest (Bail) to Warrant officer	11
Warrants of Arrest (No Bail) to Warrant officer	7
Returned successful (Bail)	4
Returned successful (No Bail)	2
Returned other reasons (Bail)	1
Returned other reasons (No Bail)	3

Insolvency cases to 1 April 2011

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

Bankruptcy cases	309
Charging orders	175
Winding up orders	3

New cases from 1 April 2011 to 31 May 2011

Bankruptcy	6
Charging orders	7
Winding up orders	0

Status of Insolvency cases at 31 May 2011

Winding-up paid	1
Charging orders granted	117
Winding up Order	1
Supporting other petitions	3
Cases paid	93
Bankruptcy orders	125
Cases closed	130
Ongoing cases	<u>30</u>
	500

4.7. Sundry Debtors

	Actual 2011/12	Actual 2010/11
Net Amount Billed in last 12 months @ 31.05.11	£90,659,896	£84,940,722
Total outstanding @ 31.05.11	£30,837,680	£22,840,723
Net Arrears @ 31.05.11	£18,768,357	£13,037,761
Number of invoices in arrears @ 31.05.11	16,727	12,713
Number of reminders 01.04.11 to 31.05.11	5,636	4,054

- 4.8. The net level of invoices raised annually continues to increase with the addition during 2010-11 of invoicing for Support at Home services. The current arrears outstanding include a total of over £4.5m in respect of debts due from two particular organisations and negotiations are underway to resolve this issue.

INCOME

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

	2010/11 Budget	Income to 31-May-10	2011/12 Budget	Income to 31-May-11
i. School Meals	£1,575,100	277,571.67	1,473,100	235,173.66
ii. Sports Centres	£3,941,300	£518,091	£3,760,300	£664,254
iii. Golf Courses	£939,600	£262,080	£967,800	£279,838
iv. Burials and Cremations	£2,502,000	£249,105	£2,577,000	£266,815
v. Building Control Fees	£494,900	£80,700	£494,900	£56,800
vi. Land Charges	£358,300	£50,400	£358,300	£27,000
vii. Car Park (Pay and Display)	£2,496,800	£283,800	£1,885,600	£157,500
viii. Car Park (Penalty Notices)	£1,149,800	£82,600	£922,300	£75,800

4.10. 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.
- (iii) Golf Courses: Golf Income underachieved by £170,000 in 2010-11 and is likely to show a similar underperformance in 2011-12.
- (iv) Burials and Cremations: Income underachieved by £80,000 in 2010-11 and is likely to show a similar underperformance in 2011-12.
- (v) Building Control Fees income is declining and there was a deficit of £49,300 in 2010/11.
- (vi) Land Charges: Fee income is declining and there was a deficit of £148,700 in 2010/11.
- (vii) Car Park Income (Pay and Display Tickets) is declining and there was a deficit of £393,600 in 2010/11.

HOUSING BENEFITS

- 4.11. 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 May 2011:

	2011/12	2010/11
Number of Private Tenant recipients	30,299	28,957
Total rent allowance expenditure	£20,086,561	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	9,883 £8,201,150	8,217
Number of Council Tax Benefit recipients	39,433	38,821
Total Council Tax Benefit expenditure	£31,324,588	
Total expenditure on benefit to date	£59,612,299	

- 4.12. The following statement provides information concerning the breakdown according to client type as at 31 May 2011:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	14,995	1,758
Elderly and in receipt of J.S.A.	7,007	5,502
Working age and not receiving J.S.A.	6,217	1,253
Elderly and not in receipt of J.S.A.	<u>2,080</u>	<u>3,311</u>
Total	30,299	11,824

There are **42,123** benefit recipients in Wirral as at 31 May 2011.

- 4.13. **Housing Benefit Fraud and Enquiries** **To 31 May 2011**

New Cases referred to Fraud team in period	219
Cases where fraud found and action taken	14
Cases investigated, no fraud found and recovery of overpayment may be sought	80
Cases under current investigation	
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	1
Caution issued and accepted	7
Successful prosecution	6
Summons issued for prosecution purposes	2

- 4.14. Work is currently being undertaken under the Audit Commission National Fraud Initiative. The work involves comparing data provided from other agencies for example NHS payroll, Insurance claims and comparing them against Housing Benefit and Council Tax records. To date 1,316 cases have been investigated and 109 are currently under investigation. A total of £48,732.95 has been identified in overpayments.

Discretionary Housing Payments

- 4.15. 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.
- 4.16. DHP is not a payment of Housing/Council Tax Benefit and is funded separately from the main scheme. The Government contribution for 2011/12 is £282,981 with an overall limit of £707,452 which the Authority must not exceed. To date I have paid £15,424 and committed a further £18,132 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/153/11

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APPENDICES

None.

REFERENCE MATERIAL

Information from relevant systems.

SUBJECT HISTORY (last 3 years)

Council Meeting	Dates
Report submitted to each meeting of the Council Excellence Committee.	