

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

15 SEPTEMBER 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 July 2011 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	125,455,984	124,039,519
Cash Collected	47,924,483	47,782,413
% Collected	38.2%	38.5%

4.2. Although there was no increase in Council Tax for 2011-12 cash to collect has risen by £1,750,000 due 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 July 2011 with the amount collected in the same period in 2010-11:

	Actual 2011/12 £	Actual 2010/11 £
Amount Collectable	66,688,113	64,030,681
Net Cash Collected	25,179,384	23,917,999
% Collected	37.76%	37.36%

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

	Council Tax	Business Rates
Reminders/Final Notices	23,670	1,648
Summonses	7,265	160
Liability Orders	4,405	71
Recovery action in progress		
Attachment of Earnings	664	
Deduction from Income Support	1,687	
Accounts to Bailiff	1,952	53
Pre-Committal Warning Letters	1,487	-
Committal Orders Issued	0	0
Debtors Committed	0	0

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

Warrants of Arrest issued by Court (Bail and No Bail)	27
Warrants of Arrest (Bail) to Warrant officer	11
Warrants of Arrest (No Bail) to Warrant officer	8
Returned successful (Bail)	16
Returned successful (No Bail)	2
Returned other reasons (Bail)	1
Returned other reasons (No Bail)	3

4.6. 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 July 2011

Bankruptcy	18
Charging orders	16
Winding up orders	0

Status of Insolvency cases at 31 July 2011

Winding-up paid	1
Charging orders granted	125
Winding up Order	1
Supporting other petitions	3
Cases paid	94
Bankruptcy orders	126
Cases closed	135
Ongoing cases	<u>30</u>
	521

4.7. **Sundry Debtors**

	Actual 2011/12	Actual 2010/11
Net Amount Billed in last 12 months @ 31.07.11	£93,166,578	£96,582,910
Total outstanding @ 31.07.11	30,645,356	£30,614,661
Net Arrears @ 31.07.11	£18,702,972	£15,929,134
Number of invoices in arrears @ 31.07.11	16,501	12,509
Number of reminders 01.04.11 to 31.07.11	11,386	10,857

INCOME

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

	2010/11 Budget	Income to 31-July-10	2011/12 Budget	Income to 31-July-11
i. School Meals	£1,575,100	£578,782	£1,473,100	£473,332
ii. Sports Centres	£3,941,300	£1,510,928	£3,760,300	£1,085,405
iii. Golf Courses	£939,600	£422,463	£967,800	£396,176
iv. Burials and Cremations	£2,502,000	£642,762	£2,577,000	£653,607
v. Building Control Fees	£494,900	£154,419	£494,900	£131,200
vi. Land Charges	£358,300	£83,928	£358,300	£65,200
vii. Car Park (Pay and Display)	£2,496,800	£684,243	£1,885,600	£396,900
viii. Car Park (Penalty Notices)	£1,149,800	£231,644	£922,300	£220,800

4.9. 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

4.10. 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 2011:

	2011/12	2010/11
Number of Private Tenant recipients	30,453	29,672
Total rent allowance expenditure	£41,781,061	
Number under the Local Housing Allowance scheme (included in the above)	9,935	8,683
	£17,400,606	
Number of Council Tax Benefit recipients	39,582	38,972
Total Council Tax Benefit expenditure	£31,263,681	
Total expenditure on benefit to date	£73,044,742	

4.11. The following statement provides information concerning the breakdown according to client type as at 31 July 2011:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	14,998	1,744
Elderly and in receipt of J.S.A.	6,984	5,475
Working age and not receiving J.S.A.	6,358	1,309
Elderly and not in receipt of J.S.A.	<u>2,113</u>	<u>3,312</u>
Total	30,453	11,840

There are **42,293** benefit recipients in Wirral as at 31 July 2011.

4.12. Housing Benefit Fraud and Enquiries **To 31 July 2011**

New Cases referred to Fraud team in period	480
Cases where fraud found and action taken	29
Cases investigated, no fraud found and recovery of overpayment may be sought	156
Cases under current investigation	
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	1
Caution issued and accepted	11
Successful prosecution	17
Summons issued for prosecution purposes	2

- 4.13. 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 and 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 has been identified in overpayments.

Discretionary Housing Payments

- 4.14. 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.
- 4.15. 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 £41,011 and committed a further £31,796 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/175/11

REPORT AUTHORS: Revenues & Benefits

Malcolm Flanagan

(Head of Revenues, Benefits and Customer Services)

telephone: (0151 666 3260)

email: malcolmflanagan@wirral.gov.uk

Income

Tom Sault

(Head of Financial Services)

Telephone: (0151 666 3407)

email: tomsault@wirral.gov.uk

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.	