

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 NOVEMBER 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 REVENUES COLLECTION

4.1.1 The following statement compares the amount collected for **Council Tax** in the period 1 April 2011 to 30 September 2011 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	125,382,688	123,973,664
Cash Collected	71,414,027	71,068,413
% Collected	57%	57.3%

Collection is behind the 2010-11 performance. This is due mainly to the additional £1.6 million Long Term Empty Property charge raised, reflected in the 2011/12 Cash to Collect as compared to 2010/11 Cash to Collect which is proving a challenge to collect. The cash collected figure is £350,000 more than at this time in 2010-11.

4.1.2 The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2011 to 30 September 2011 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	65,083,315	62,829,440
Cash Collected	37,660,225	34,505,664
% Collected	57.9%	54.7%

Collection is ahead of 2010/11 as many large firms are paying on time or ahead of schedule.

4.1.3 The following statement provides information concerning the collection of local taxes from 1 April 2011 to 30 September 2011:

	Council Tax	Business Rates
Reminders/Final Notices	30,979	1,861
Summonses	9,386	523
Liability Orders	5,988	250
Recovery action in progress		
Attachment of Earnings	1,185	
Deduction from Income Support	2,410	
Accounts to Bailiff	3,955	55
Pre-Committal Warning Letters	2,226	-
Committal Orders Issued	7	0
Debtors Committed	0	0

Current Status of Agent Work in respect of Committals for 1 April 2011 to 30 September 2011:

Warrants of Arrest issued by Court (Bail and No Bail)	17
Warrants of Arrest (Bail) to Warrant officer	15
Warrants of Arrest (No Bail) to Warrant officer	10
Returned successful (Bail)	21
Returned successful (No Bail)	8
Returned other reasons (Bail)	1
Returned other reasons (No Bail)	0

Insolvency cases to 30 September 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 30 September 2011

Bankruptcy	21
Charging orders	25
Winding up orders	0

Status of Insolvency cases at 30 September 2011

Winding-up paid	1
Charging orders granted	128
Winding up Order	1
Supporting other petitions	3
Cases paid	96
Bankruptcy orders	127
Cases closed	143
Ongoing cases	34
	533

4.1.4 Sundry Debtors

	Actual 2011/12	Actual 2010/11
Net Amount Billed in last 12 months @ 30.09.11	£96,922,100	£97,082,959
Total outstanding @ 30.09.11	£28,853,654	£24,324,037
Number of reminders 01.04.11 to 30.09.11	17,202	16,107

The number of invoices raised in August and September has been higher than at this time in 2010/11. A number of these bills are large and a close check is kept on large accounts.

4.2. INCOME

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

	2010/11 Budget	Income to 30-Sep-10	2011/12 Budget	Income to 30-Sep-11
i. School Meals	£1,575,100	£729,459	£1,473,100	£611,775
ii. Sports Centres	£3,941,300	£2,305,274	£3,760,300	£2,181,120
iii. Golf Courses	£939,600	£578,891	£967,800	£553,170
iv. Burials and Cremations	£2,502,000	£995,491	£2,577,000	£995,012
v. Building Control Fees	£494,900	£254,705	£494,900	£211,000
vi. Land Charges	£358,300	£117,806	£358,300	£111,900
vii. Car Park (Pay and Display)	£2,496,900	£1,028,601	£1,885,600	£759,400
viii. Car Park (Penalty Notices)	£1,149,800	£362,931	£922,300	£321,500

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

- (i) **School Meals:** A school meal service is provided by Metro Catering in 85 primary and special schools. The overall service costs total £4.5m of which £2.8m is paid by schools (representing the cost of Free School Meals). The income generated is from the charges for a school meal (£2.00), school milk and other paid meals. Whilst the income as at 30 September 2011 is only 42% of the budget, this 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 overall Schools Budget.
- (ii) **Sports Centres:** The income budget for sports centres was reduced in 2011/12 due to the loss of the free swimming grant. It is expected that this revised budget target will be met. This is due, in part, to the strong performance of income achieved from the Invigor8 scheme. Overall, income contributes 50% of the running costs of Sports Centres.
- (iii) **Golf Courses:** Although the total golf income received in 2011/12 is expected to exceed the running costs of the golf courses it will struggle to achieve the budgeted income target for the year. Poor weather during the summer has affected income this year and income is down compared to this time last year.
- (iv) **Burials and Cremations:** Again the 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.
- (v) **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.
- (vi) **Land Charges:** In recent years legislative changes have increased competition for this service for which information is now available online. As a result fee income is declining and there was a deficit of £148,700 in 2010/11.
- (vii) **Car Park Income (Pay and Display Tickets):** Income has been declining for a number of years due to recessionary pressures and competition from other retail areas. However, the car parking service still makes a positive contribution to the General Fund budget.

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 30 September 2011:

	2011/12	2010/11
Number of Private Tenant recipients	29,235	29,740
Total rent allowance expenditure	£67,595,404	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	10,762	8,941
	£26,709,591	
Number of Council Tax Benefit recipients	39,741	39,436
Total Council Tax Benefit expenditure	£31,298,240	
Total expenditure on benefit to date	£98,893,644	

4.3.2 The following statement provides information concerning the breakdown according to client type as at 30 September 2011:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,154	1,754
Elderly and in receipt of J.S.A.	6,952	5,431
Working age and not receiving J.S.A.	6,427	1,318
Elderly and not in receipt of J.S.A.	<u>2,152</u>	<u>3,327</u>
Total	30,685	11,830

There are **42,515** benefit recipients in Wirral as at 30 September 2011.

4.3.3 Housing Benefit Fraud and Enquiries To 30 September 2011

New Cases referred to Fraud team in period	834
Cases where fraud found and action taken	43
Cases investigated, no fraud found and recovery of overpayment may be sought	234
Cases under current investigation	212
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	1
Caution issued and accepted	20
Successful prosecution	22
Summons issued for prosecution purposes	3

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 2011/12 is £282,981 with an overall limit of £707,452 which the Authority must not exceed. To date I have paid £62,355 and committed a further £66,809 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/235/11

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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 Overview and Scrutiny Committee	