

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

31 JANUARY 2012

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 December 2011 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	125,371,155	123,894,589
Cash Collected	106,463,423	105,798,507
% Collected	84.9%	85.4%

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 the 2010/11 Cash to Collect. This charge is proving a challenge to collect. The cash collected figure is £665,000 more than at this time in 2010/11.

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

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	64,394,221	61,872,056
Cash Collected	54,279,308	53,943,787
% Collected	84.8%	87.2%

Collection has fallen behind 2010/11 for the first time this year. There is no obvious reason and collection is expected to recover in the New Year.

- 4.3 The following statement provides information concerning the collection of local taxes from 1 April 2011 to 31 December 2011:

	Council Tax	Business Rates
Reminders/Final Notices	38,486	3,536
Summonses	11,465	718
Liability Orders	9,802	567
Recovery action in progress		
Attachment of Earnings	1,686	
Deduction from Income Support	3,386	
Accounts to Bailiff	5,700	130
Pre-Committal Warning Letters	2,458	-
Committal Orders Issued	7	0
Debtors Committed	0	0

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

	Council Tax	Business Rates
Reminders/Final Notices	38,486	3,536
Summonses	11,465	718
Liability Orders	9,802	567
Recovery action in progress		
Attachment of Earnings	1,686	
Deduction from Income Support	3,386	
Accounts to Bailiff	5,700	130
Pre-Committal Warning Letters	2,458	-
Committal Orders Issued	7	0
Debtors Committed	0	0

Insolvency cases to 31 December 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 December 2011

Bankruptcy	24
Charging orders	34
Winding up orders	0

Status of Insolvency cases at 31 December 2011

Winding-up paid	1
Charging orders granted	136
Winding up Order	1
Supporting other petitions	3
Cases paid	97
Bankruptcy orders	130
Cases closed	155
Ongoing cases	<u>22</u>
	545

4.4 Sundry Debtors

	Actual 2011/12	Actual 2010/11
Net Amount Billed in last 12 months @ 31.12.11	£102,035,331	£90,643,755
Total outstanding @ 31.12.11	£26,495,736	£21,603,224
Number of reminders 01.04.11 to 31.12.11	25,959	19,237

INCOME

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

	2011/12 Budget	Income to 31-Dec-11	2010/11 Budget	Income to 31-Dec-10
i. School Meals	£1,473,100	£990,226	£1,575,100	£1,187,767
ii. Sports Centres	£3,627,100	£3,095,600	£3,941,300	£3,281,926
iii. Golf Courses	£967,800	£630,900	£939,600	£659,566
iv. Burials and Cremations	£2,577,000	£1,548,200	£2,502,000	£1,614,768
v. Building Control Fees	£494,900	£288,200	£494,900	£339,180
vi. Land Charges	£358,300	£154,200	£358,300	£164,468
vii. Car Park (Pay and Display)	£1,885,600	£1,200,869	£2,496,900	£1,553,823
viii. Car Park (Penalty Notices)	£922,300	£508,542	£1,149,800	£552,891

4.6. 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 service costs £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 at 31 December 2011 is only 67% 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 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. The income target of £124,000 for Grange Road West Sport Centre has now been removed as the centre is no longer run by the Council.
- (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.

HOUSING BENEFITS

- 4.7. 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 December 2011:

	2011/12	2010/11
Number of Private Tenant recipients	30,711	29,805
Total rent allowance expenditure	£99,254,132	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	11,007	9,233
	£40,041,986	
Number of Council Tax Benefit recipients	39,599	39,040
Total Council Tax Benefit expenditure	£31,183,029	
Total expenditure on benefit to date	£130,437,161	

- 4.8 The following statement provides information concerning the breakdown according to client type as at 31 December 2011:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	14,935	1,697
Elderly and in receipt of J.S.A.	6,904	5,360
Working age and not receiving J.S.A.	6,689	1,306
Elderly and not in receipt of J.S.A.	<u>2,183</u>	<u>3,342</u>
Total	30,711	11,705

There are **42,416** benefit recipients in Wirral as at 31 December 2011.

4.9 **Housing Benefit Fraud and Enquiries** **To 31 December 2011**

New Cases referred to Fraud team in period	1,330
Cases where fraud found and action taken	74
Cases investigated, no fraud found and recovery of overpayment may be sought	549
Cases under current investigation	232
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	7
Caution issued and accepted	37
Successful prosecution	30
Summons issued for prosecution purposes	13

Discretionary Housing Payments

- 4.10 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.

- 4.11 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/15/12

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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	