

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

26 MARCH 2012

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 BACKGROUND AND KEY ISSUES

- 2.1. The following statement compares the amount collected for **Council Tax** in the period 1 April 2011 to 29 February 2012 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	125,264,895	123,827,907
Cash Collected	117,951,598	117,226,089
% Collected	94.2%	94.7%

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 as anticipated proving a challenge to collect. The cash collected figure is £725,000 more than at this time in 2010/11.

- 2.2 The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2011 to 29 February 2012 with the amount collected in the same period in 2010/11:

	Actual 2011/12 £	Actual 2010/11 £
Cash to Collect	63,921,797	61,223,845
Cash Collected	60,739,725	58,248,366
% Collected	95.02%	95.14%

Collection has now fallen slightly behind 2010/11 for the first time this year.

- 2.3 The following statement provides information concerning the collection of local taxes from 1 April 2011 to 29 February 2012:

	Council Tax	Business Rates
Reminders/Final Notices	47,937	4,156
Summonses	14,579	782
Liability Orders	11,685	688
Recovery action in progress		
Attachment of Earnings	1,686	
Deduction from Income Support	3,386	
Accounts to Bailiff	5,700	157
Pre-Committal Warning Letters	2,458	-
Committal Orders Issued	7	0
Debtors Committed	0	0

Insolvency cases to 29 February 2012

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 29 February 2012

Bankruptcy	32
Charging orders	52
Winding up orders	0

Status of Insolvency cases at 29 February 2012

Winding-up paid	1
Charging orders granted	140
Winding up Order	1
Supporting other petitions	3
Cases paid	100
Bankruptcy orders	133
Cases closed	160
Ongoing cases	<u>33</u>
	571

2.4 **Sundry Debtors**
Accounts Receivable Stats

	Actual as at 29.02.12	Actual as at 28.02.11
Debt Raised in month	£ 8,446,081	£18,624,785
Paid in month	£ 6,564,110	£ 7,027,054
Outstanding	£28,977,793	£34,235,562
Total debt raised in year	£85,645,212	£87,473,431

INCOME

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

	2011/12 Budget	Income to 29-Feb-12	2010/11 Budget	Income to 28-Feb-11
i. School Meals	£1,473,100	£1,298,479	£1,575,100	£1,187,767
ii. Sports Centres	£3,627,100	£3,856,198	£3,941,300	£4,249,827
iii. Golf Courses	£967,800	£679,949	£939,600	£765,086
iv. Burials and Cremations	£2,577,000	£1,944,691	£2,502,000	£2,414,927
v. Building Control Fees	£494,900	£356,216	£494,900	£407,898
vi. Land Charges	£358,300	£184,478	£358,300	£192,630
vii. Car Park (Pay and Display)	£1,885,600	£1,416,590	£2,496,900	£1,876,674
viii. Car Park (Penalty Notices)	£922,300	£641,193	£1,149,800	£681,029

2.6. 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. 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 budget 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 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.
- (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 the recession and competition from other retail areas.

HOUSING BENEFITS

2.7. 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 29 February 2012:

	2011/12	2010/11
Number of Private Tenant recipients	30,959	30,067
Total rent allowance expenditure	£119,718,060	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	11,207 £48,551,517	9,782
Number of Council Tax Benefit recipients	39,868	39,325
Total Council Tax Benefit expenditure	£31,206,040	
Total expenditure on benefit to date	£150,924,100	

- 2.8 The following statement provides information concerning the breakdown according to client type as at 29 February 2012:

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,137	1,737
Elderly and in receipt of J.S.A.	6,868	5,318
Working age and not receiving J.S.A.	6,756	1,347
Elderly and not in receipt of J.S.A.	<u>2,198</u>	<u>3,352</u>
Total	30,959	11,754

There are **42,713** benefit recipients in Wirral as at 29 February 2012

2.9 Housing Benefit Fraud and Enquiries To 29 February 2012

New Cases referred to Fraud team in period	1,537
Cases where fraud found and action taken	90
Cases investigated, no fraud found and recovery of overpayment may be sought	639
Cases under current investigation	201
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	9
Caution issued and accepted	48
Successful prosecution	33
Summons issued for prosecution purposes	15

Discretionary Housing Payments

- 2.10 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.
- 2.11 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 £121,170 and committed £127,605 to the end of the financial year.

3.0 RELEVANT RISKS

- 3.1 None.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 None.

5.0 CONSULTATION

- 5.1 None.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising directly from this report.

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

7.1 There are none arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

12.1 That the report be noted.

13.0 REASON FOR RECOMMENDATION

13.1 To update Members on financial issues.

FNCE/73/12

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 Overview and Scrutiny Committee	