

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

04 JULY 2012

SUBJECT:	REVENUES, INCOME AND BENEFITS
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING CHIEF FINANCE OFFICER
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES
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 2012 to 31 May 2012 with the amount collected in the same period in 2011/12:

	Actual 2012/13	Actual 2011/12
	£	£
Cash to Collect	125,898,593	125,512,298
Cash Collected	24,705,827	24,665,993
% Collected	19.6%	19.7%

- 2.2 The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2012 to 31 May 2012 with the amount collected in the same period in 2011/12:

	Actual 2011/12	Actual 2010/11
	£	£
Cash to Collect	69,063,099	66,412,142
Cash Collected	14,694,864	12,234,823
% Collected	21.0%	18.4%

2.3 The following statement provides information concerning the collection of local taxes from 1 April 2012 to 31 May 2012:

	Council Tax	Business Rates
Reminders/Final Notices	15,291	1,893
Summonses	1,749	115
Liability Orders	0	91
Recovery action commenced		
Attachment of Earnings	387	
Deduction from Income Support	691	
Accounts to Bailiff	756	25
Pre-Committal Warning Letters	461	-
Committal Orders Issued	3	0
Debtors Committed	0	0

Insolvency cases to 31 May 2012

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

Bankruptcy cases	342
Charging orders	230
Winding up orders	3

New cases from 1 April 2012 to 31 May 2012

Bankruptcy	3
Charging orders	18
Winding up orders	0

Status of Insolvency cases at 31 May 2012

Winding-up paid	1
Charging orders granted	155
Winding up Order	1
Supporting other petitions	3
Cases paid	101
Bankruptcy orders	133
Cases closed	160
Ongoing cases	<u>42</u>
	596

2.4 **Sundry Debtors Invoices**

	Actual 2011/12	Actual 2010/11
Dept Debtors		
CYPD	£1,043,093	£1,441,965
Corporate Services	£1,115,248	£1,050,802
Finance	£4,349,876	£6,293,945
Law/HR & Asset Management	£417,764	£2,816,872
Regeneration	£10,168	£16,992

DASS	£18,272,753	£15,523,693
Technical Services	£3,939,619	£3,839,013
Unallocated	£-741,720	£-149,864
Total outstanding @ 31.12.12	<u>£28,406,801</u>	<u>£30,833,418</u>

Number of reminders 01.04.12 to 31.12.12 **5,245** 5,095

INCOME

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

	2012/13 Budget	Income to 31-May-12	2011/12 Budget	Income to 31-May-11
i. School Meals	£1,395,300	£223,838	£1,473,100	£235,173
ii. Sports Centres	£3,740,300	£661,623	£3,627,100	£669,557
iii. Golf Courses	£968,000	£188,625	£967,800	£279,838
iv. Burials and Cremations	£2,652,700	£263,496	£2,577,000	£266,815
v. Building Control Fees	£494,900	£77,405	£494,900	£51,840
vi. Land Charges	£358,300	£30,975	£358,300	£27,024
vii. Car Park (Pay and Display)	£2,024,200	£139,171	£1,885,600	£157,492
viii. Car Park (Penalty Notices)	£950,000	£86,190	£922,300	£75,844

- 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 £4.4m 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. The income at 31 May 2012 is 16% 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:** Income is on target in comparison to last year and Invigor8 income is again doing very well so far this year.
- (iii) **Golf Courses:** The poor weather in April has again affected golf income. The situation will continue to be monitored throughout the 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
- (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

- 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 31 May 2012:

	2012/13	2011/12
Number of Private Tenant recipients	31,259	30,299
Total rent allowance expenditure	£22,381,649	
Number under the Local Housing Allowance scheme (<u>included in the above</u>)	11,582 £9,491,715	9,883
Number of Council Tax Benefit recipients	39,986	39,433
Total Council Tax Benefit expenditure	£31,612,186	
Total expenditure on benefit to date	£53,993,835	

- 2.8 The following statement provides information concerning the breakdown according to client type as at 31 May 2012

	Private Tenants	Owner Occupiers
Working age and in receipt of J.S.A.	15,288	1,775
Elderly and in receipt of J.S.A.	6,743	5,214
Working age and not receiving J.S.A.	6,914	1,350
Elderly and not in receipt of J.S.A.	<u>2,314</u>	<u>3,441</u>
Total	31,259	11,780

There are **43,039** benefit recipients in Wirral as at 31 May 2012.

- 2.9 **Housing Benefit Fraud and Enquiries From 1 April 2012 to 31 May 2012**

New Cases referred to Fraud team in period	415
Cases where fraud found and action taken	19
Cases investigated, no fraud found and recovery of overpayment may be sought	96
Cases under current investigation	194
Surveillance Operations Undertaken	0
Cases where fraud found and action taken:	
Administration penalty	2

Caution issued and accepted	6
Successful prosecution	11
Summons issued for prosecution purposes	6

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 2012/13 is £522,238 with an overall limit of £1,159,688 which the Authority must not exceed. This Government contribution includes £58,363 which was underspent last year which we have been allowed to carry forward. This together with an increase in excess of 60% offers provision to help alleviate hardship resulting from the LHA Reforms. To date I have paid £75,295, compared with £15,423 at this point last year, and committed a further £137,837 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

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATION

13.1 That the report be noted.

14.0 REASON FOR RECOMMENDATION

14.1 To update Members on financial issues.

FNCE/ /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	