

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No

meeting date: 28 JULY 2009
 title: REVENUES AND BENEFITS GENERAL REPORT
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARK EDMONDSON

1 PURPOSE

1.1 To inform committee of debts outstanding for business rates, council tax and sundry debtors. Also to update committee on the Benefits Performance, Benefits Fraud investigations, Prosecutions and Sanctions.

1.2 Relevance to the Council's ambitions and priorities:

❖ **Council Ambitions/Community Objectives/Corporate Priorities**

Without the revenue collected from rates, council tax and sundry debtors we would be unable to meet the Council's ambitions, objectives and priorities.

2 NATIONAL NON-DOMESTIC RATES (NNDR)

2.1 The following is a collection statement to 30 June 2009:

| | £000 | £000 | 2009/10 % | 2008/09 % |
|---|---------------|---------------|--------------|--------------|
| Balance Outstanding 1 April 2009 | | 271 | | |
| Charges | 13,312 | | | |
| Plus costs | 4 | | | |
| Transitional surcharge | 0 | | | |
| Write ons | 3 | | | |
| | 13,319 | | | |
| Less | | | | |
| - Transitional relief | 6 | | | |
| - Exemptions | -500 | | | |
| - Charity, Rural, Former Agricultural Discretionary Relief | -702 | | | |
| - Small Business Rate Relief | -635 | | | |
| - Write offs | 0 | | | |
| - Interest Due | -1 | | | |
| | -1,832 | 11,487 | | |
| | | 11,758 | 100.0 | |
| Less Cash Received | | -3,552 | 30.2 | 30 |
| Amount Outstanding | | 8,206 | 69.8 | |

NB Information overleaf relates to all years, but we are required to report to the Department of Communities and Local Government (DCLG) our in year collection rate. This figure is published and is used to compare our performance with other local authorities. On this measure our current in year collection rate at 30 June 2009 is 30.8% compared to 30.8% at 30 June 2008.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 30 June 2009:

| | £000 | £000 | 2009/10 % | 2008/09 % |
|----------------------------------|---------------|---------------|--------------|--------------|
| Balance Outstanding 1 April 2007 | | 382 | | |
| Charges | 36,513 | | | |
| Plus costs | 26 | | | |
| Transitional relief | 1 | | | |
| Write ons | 1 | | | |
| | 36,541 | | | |
| Less - Exemptions | -839 | | | |
| - Discounts | -2,782 | | | |
| - Disabled banding reduction | -38 | | | |
| - Council Tax Benefit | -2,165 | | | |
| - Write offs | -3 | | | |
| | -5,827 | 30,714 | | |
| | | 31,096 | 100% | |
| Less Cash Received | | -9,347 | 30.1 | 30.1 |
| Amount Outstanding | | 21,749 | 69.9 | |

NB Information above relates to all years, but we are required to report our in year collection rate to the DCLG. This figure is published by them and is used to compare our performance against other local authorities. On this measure our current in year collection rate at 30 June 2009 is 30.4% compared with 30.5% at 30 June 2008. This small reduction is due to the current credit crunch/recession.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 14 July 2009 is:

| | £000 | % |
|---------------------------------|-------------|------------|
| Amount Outstanding 1 April 2009 | 270 | |
| Invoices Raised | 627 | |
| | 897 | 100 |
| Less Paid | -430 | 48 |
| Total Outstanding | 467 | 52 |

| Aged Debtors | 000s | % |
|---------------------|-------------|------------|
| < 30 days | 152 | 32.5 |
| 30 - 59 days | 40 | 8.6 |
| 60 - 89 days | 44 | 9.4 |
| 90 - 119 days | 100 | 21.4 |
| 120 – 149 days | 26 | 5.6 |
| 150+ days | 105 | 22.5 |
| | 467 | 100 |

5 HOUSING BENEFIT – PERFORMANCE

5.1 From April 2008 the main indicators of Housing Benefit and Council Tax Benefit performance will be the National Indicators for Right Benefit and Right Time. The benefit section will also report on Local PI's that have been set within the department for Benefit fraud and Overpayments.

The Department of Work and Pensions does not require LA's to report on any other Performance Measures but encourages LA's to monitor their own performance locally. LA's are therefore free to do this as frequently as they wish and by any method they wish.

Following a seminar with the Audit Commission it is recommended that LA's continue to monitor benefit fraud and also overpayment data.

5.2 HOUSING BENEFIT RIGHT BENEFIT AND RIGHT TIME INDICATORS 2009/2010

The right benefit indicator measures the number of changes of circumstances established by LA's which affect customers' HB/CTB entitlement within the year.

The purpose of the right benefit indicator is to ensure that LA's are focused on accurately maintaining their caseload and establishing whether their customers have undergone any change of circumstances (CIC), which might affect their benefit entitlement.

5.3 Right benefit indicator

The average Right Benefit Indicator (NI 180) for period 1 April 2009 –2 June 2009

| Target per month | Actual Performance | Average Performance |
|------------------|--------------------|----------------------|
| 225 | 1,460 | No Target set by DWP |

5.4 Right time indicator

The right time indicator will measure the time taken to process HB/CTB new claims and change events; this includes changes in circumstances, interventions, fraud referrals and prints generated by the benefit department.

The Right Time Indicator (NI 181) for period 1 April 2009 – 30 June 2009

| Target for year | Actual Performance | Average Performance |
|-----------------|--------------------|---------------------|
| 13 days | 17.95 days | 20 days per IRRV |

Performance for New claims (PM1) for period 1 April 2009 –30 June 2009

| Target for year | Actual Performance | Top Grade 4 for ALL LA's 2007/08 |
|-----------------|--------------------|----------------------------------|
| 21 days | 26.58 | Under 30 days |

6 HOUSING BENEFIT FRAUD

6.1 The following is summary of fraud investigation for the period 1 April 2009 to 30 June 2009.

| Completed fraud investigations | |
|--------------------------------|-----------|
| | 2009/10 |
| 1.4.2009. – 30.6.2009. | 49 |
| Total | 49 |

| Average caseload (YTD) | |
|------------------------|-------|
| 2009/2010 | 2,609 |

| Number of investigations per 1000 caseload | | |
|--|----------|-------|
| 2009/2010 | 49/2,609 | 18.78 |

7 LOCAL PERFORMANCE INDICATORS

7.1 LPI RB8 (BV 76d)

The following is a summary of fraud prosecutions and sanctions for the period 1 April 2009 to 30 June 2009.

| 2009/2010 | |
|--------------------------|----------|
| Cautions | 0 |
| Administrative penalties | 0 |
| Successful prosecutions | 2 |
| Total | 2 |

| Average caseload (YTD) | |
|------------------------|-------|
| 2009/2010 | 2,609 |

| Number of prosecutions/sanctions per 1,000 caseload | | |
|---|---------|------|
| 2009/2010 | 2/2,609 | 0.76 |

7.2 Ribble Valley Borough Council has brought the following prosecutions and sanctions for benefit fraud since the 1 April 2009 – 30 June 2009.

Court Summons - 1 Case

Joint Investigation with DWP, court summons issued for the case to be heard at Court on 20 May 2009.

Prosecutions - 2 Cases

1. Joint prosecution with DWP

Offence: Failing to report promptly a change in circumstances

Section 112 (1A) Social Security Administration Act 1992.

Overpayment created for housing/council tax benefit £4208.15 and Income Support overpayment £2885.10.

Successfully prosecuted at court.

£75.00 legal costs
120 hours unpaid work

2. Joint prosecution with DWP

Offence: Failing to report promptly a change in circumstances

Section 112 (1A) Social Security Administration Act 1992

Overpayment created for housing/council tax benefit £7183.92 and Income Support overpayment £3943.44.

Successfully prosecuted at court.

£70.00 legal costs
2 months curfew from 8pm to 6am

9 HOUSING BENEFIT OVERPAYMENTS

9.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations, whether on the initial decision as subsequently revised or further revised, and includes any amount paid on account which is in excess of entitlement to Housing Benefit as subsequently decided.

| Performance Measure | RVBC |
|---|-------------|
| <p><i>LPI RB10 (BV79b1) Local PI for period 1.4.09 – 30.6.09</i></p> <p>The amount of Housing Benefit overpayments (HB) recovered during the period being reported on as a percentage of HB deemed recoverable over-payments during that period.</p> | 94.47% |
| <p><i>LPI RB11 (BV79b2) Local PI for period 1.4.09 – 30.6.09</i></p> <p>The amount of Housing Benefit (HB) overpayments recovered during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year plus amount of HB overpayments identified during the period.</p> | 15.87% |
| <p><i>LPI RB12 (BV79b3) Local PI for period 1.4.09 – 30.6.09</i></p> <p>The amount of Housing Benefit (HB) overpayments written off during the period as a percentage of the total amount of HB overpayment debt outstanding at the start of the financial year, plus amount of HB overpayments identified during the period.</p> | 2.09% |

9.2 Summary of write-offs for period 1.4.09 – 30.6.09 undertaken by the Benefit Manager or Team Leaders

The benefit section has written off the following overpayments for the period above

| | Number | Amount |
|------------------------------------|---------------|---------------|
| Write-offs up to £15.00 | 0 | £0.00 |
| Write-offs between £15.00 - £50.00 | 0 | £0.00 |
| Total Write offs | | £0.00 |

The purpose of reporting on the above overpayments is to inform members of our progress in recovering Housing Benefit overpayments.

10 RECOMMENDED THAT COMMITTEE

10.1 Note the continuing progress that we make in collecting these debts, and the performance of our Housing Benefit Section remains excellent.

REVENUES AND BENEFITS MANAGER

PF26-09/ME/AC
3 July 2009