

RIBBLE VALLEY BOROUGH COUNCIL INFORMATION

REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No

meeting date: 22 SEPTEMBER 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 Benefits Performance, including 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 8 September 2009:

	£000	£000	2009/10 % to 8 th September	2008/09 % to 8 th September
Balance Outstanding 1 April 2009		271		
NNDR amounts due	13,338			
Plus costs	5			
Transitional surcharge	0			
Write ons	5			
	13,348			
Less				
- Transitional relief	10			
- Exemptions	-471			
- Charity, Rural, Former Agricultural Discretionary Relief	-722			
- Small Business Rate Relief	-643			
- Write offs	-12			
- Interest Due	-1			
	-1,839	11,509		
Total amount to recover		11,780		
Less cash received to 8 September		-5,958	50.6	50.3
Amount Outstanding		5,822	49.4	49.7

NB The figures included in the table include not only those charges for 2009/10 but also those relating to previous 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 31 August 2009 is 48.5% compared to 48.9% at 31 August 2008. This small reduction is due to the current credit crunch/recession.

2.2 *Business Rates Deferral Scheme*

The Government introduced a Business Rate deferral scheme for 2009/10 Business Rates details of which were published at the end of July. We subsequently issued over 1,400 applications and have dealt with a substantial number of queries regarding the scheme. As of 2 September 2009 we have received 98 applications of which 30 have been granted, 24 have been withdrawn, 6 are awaiting processing and 38 have accepted an alternative arrangement which we have offered to help businesses in these difficult times i.e. we have allowed extended instalments as an alternative to the deferral scheme.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 8 September 2009:

	£000	£000	2009/10 % to 8 September	2008/09 % to 8 September
Balance Outstanding 1 April 2009		382		
Council Tax amounts due	36,552			
Plus costs	35			
Transitional relief	2			
Write ons	5			
	36,594			
Less - Exemptions	-913			
- Discounts	-2,778			
- Disabled banding reduction	-39			
- Council Tax Benefit	-2,168			
- Write offs	-17			
	-5,915	30,679		
Total amount to recover		31,061		
Less cash received		-15,395	49.6	49.6
Amount Outstanding		15,666	50.4	50.4

NB The figures included in the table include not only those charges for 2009/10 but also those relating to previous 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 31 August 2009 is 49.4% compared with 49.8% at 31 August 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 11 September 2009 is:

	£000	%
Amount Outstanding 1 April 2009	270	
Invoices Raised	776	
	1,046	100
Less Paid	698	67
Total Outstanding	1,744	33

Aged Debtors	000s	%
< 30 days	44	12
30 - 59 days	25	8
60 - 89 days	11	3
90 - 119 days	31	9
120 – 149 days	38	11
150+ days	199	57
	348	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 the first quarter

Target for quarter	Actual Performance	Average Performance
675	1,777	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.

Target for year	Actual Performance	Average Performance
13 days	13.66 days	20 days per IRRV

Performance for New claims

Target for year	Actual Performance	Top Grade 4 for ALL LA's 2007/08
21 days	20 days	Under 30 days

6 HOUSING BENEFIT FRAUD

6.1 The following is summary of fraud investigation for the period 1 July 2009 to 3 Sept 2009.

Completed fraud investigations	
	2009/10
1.7.2009. – 3.9.2009.	22
Total	22

Average caseload (YTD)	
2009/2010	2,671

Number of investigations per 1000 caseload		
2009/2010	22/2,671	8.23

6.2 *Number of Housing/Council Tax Benefit Prosecutions and Sanctions per 1,000 caseload*

The following is a summary of fraud prosecutions and sanctions for the period 1 July 2009 to 3 September 2009.

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

Average caseload (YTD)	
2009/2010	2,671

Number of prosecutions/sanctions per 1,000 caseload		
2009/2010	2/2,677	0.74

6.3 Ribble Valley Borough Council has brought the following prosecutions and sanctions for benefit fraud during the period 1 July 2009 – 3 September 2009.

Formal Caution - 2 Cases

1. Offence: Failure to report promptly a change in circumstances

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

Overpayment created for housing/council tax benefit £874.57. Formal caution accepted on 29 July 2009.

2. Offence: Failure to report promptly a change in circumstances

Section 112 (1A) Social Security Administration Act 1992

Overpayment created for housing/council tax benefit £231.22. Formal caution accepted on 5 August 2009.

7 HOUSING BENEFIT OVERPAYMENTS

7.1 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. The performance for the first quarter is as follows:

Performance Measure	%
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.	94.47
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.	15.87
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.	2.09

7.2 There have been no write offs during the first quarter.

8 CASELOAD COMPARISONS 2007 – 2009

- 8.1 The national economic downturn has caused an increase in the number of people claiming Housing Benefits and Council Tax Benefits.

Ribble Valley has experienced a 4.95% increase in the total caseload since 2007. The biggest increase in caseload is the working age – non-income support category. This group includes people who are in receipt of Jobseekers (Contributions), Employment Support Allowance (Contributions) and people who are working either employed or self-employed.

10.2 *Policies*

The following policies have been reviewed for 2009 but not changed:

Visiting Officer Protocols and Investigator/Visiting Officer Code of Practice.

The following policies have been reviewed and changed for 2009:

Overpayments - due to legislation changes

Confidentiality Statement - name changes due to staff movement.

All the above policies have been updated with a new version number to reflect the above.

11 RECOMMENDED THAT COMMITTEE

- 11.1 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

PF44-09/ME/AC

10 September 2009