

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

Agenda Item No 12

meeting date: 7 JUNE 2016
 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 23 May 2016:

	£000	£000	2016/17 %	2015/16 %
Balance Outstanding 1 April 2016		575		
NNDR amounts due	19,028			
Plus costs	0			
Transitional surcharge	0			
Write ons	49			
	19,077			
Less				
- Transitional relief	1			
- Exemptions	-382			
- Charity, Rural, Community Amateur Sports Clubs Relief	-1,080			
- Small Business Rate Relief	-2,035			
- Retail, Reoccupation, New Build, Discretionary Transitional Relief, and Flood Relief	-60			
- Interest Due	-0			
- Write Offs	-54			
	-3,610	15,467		
Total amount to recover		16,042		
Less cash received to 23 May 2016		-2,288	14.3	14.2
Amount Outstanding		13,754	85.7	85.8

NB The figures included in the table include not only those charges for 2016/17 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 30 April 2016 is 10.48% compared with 11.04% at 30 April 2015.

2.2 Discretionary Rate Relief for Rural Businesses

In his budget on 16 March 2016 the Chancellor of the Exchequer announced that the temporary doubling of Small Business Rates Relief would become a permanent feature of the Business Rates system. As a result some rural businesses who qualify for Mandatory Rural Rate Relief are worse off than similar businesses situated in non-rural areas. This occurs due to an anomaly in legislation that prevents rural businesses who qualify for Mandatory Rural Rate Relief from getting Small Business Rates Relief. The current maximum relief available to rural businesses is 50% whereas similar businesses in non-rural areas can get up to 100% relief.

We have raised this issue with the Department for Communities and Local Government and they have confirmed that they are aware of the anomaly. However they have also confirmed that it will require primary legislation to correct it, and therefore they may not be able to correct it before the next revaluation which is due to take place in 2017.

To support our rural communities we have decided to grant discretionary rate relief so that rural businesses are no worse off than similar businesses in non-rural areas. To qualify for the relief the business must complete an application form for the 2016/17 financial year and confirm that this is the only business premises that they occupy. At present we estimate that approximately ten local rural businesses will benefit from the additional relief worth about £10,000 in 2016/17.

3 COUNCIL TAX

3.1 The following is a collection statement for Council Tax to 23 May 2016:

	£000	£000	2016/17 %	2015/16 %
Balance Outstanding 1 April 2016		787		
Council Tax amounts due	41,081			
Plus costs	3			
Transitional relief	0			
Write ons	0			
	41,084			
Less - Exemptions	-509			
- Discounts	-3,688			
- Disabled banding reduction	-43			
- Council Tax Benefit	4			
- Local Council Tax Support	-1,834			
- Write offs	-4			
	-6,074	35,010		
Total amount to recover		35,797		
Less cash received to 23 May		-4,418	12.3	12.3
Amount Outstanding		31,379	87.7	87.7

NB The figures included in the table include not only those charges for 2016/17 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 30 April 2016 is 11.20% compared to 10.92% at 30 April 2015.

4 SUNDRY DEBTORS

4.1 A summary of the sundry debtors account at 26 May 2016 is:

	£000	£000
Amount Outstanding 1 April 2016		478
Invoices Raised	977	
Plus costs	0	
		977
Less write offs		0
Total amount to recover		1,455
Less cash received to 26 May 2016		701
Amount outstanding		754

Aged Debtors	000s	%
< 30 days	62	8
30 - 59 days	366	49
60 - 89 days	35	5
90 - 119 days	13	2
120 - 149 days	1	0
150+ days	277	37
	754	100

5 HOUSING BENEFIT AND COUNCIL TAX SUPPORT PERFORMANCE

- 5.1 The main indicator for Housing Benefit and Council Tax Support performance is known as Right Time. The benefit section also report on Local Performance Indicators that have been set within the department for benefit fraud and overpayments.
- 5.2 The Department for Work and Pensions does not require Local Authorities (LA's) to report on any other Performance Measures but encourages them to monitor their own performance locally.
- 5.3 We obviously consider it very important to monitor benefit fraud and also overpayment data.

Housing Benefit Right Time Indicator 2015/2016

The right time indicator measures the time taken to process HB/CTS 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 2015 - 2016	Average Performance
10 days	7.1 days	20 days per IRRV

New claims performance

Target for year	Actual Performance 2015 -2016	Top grade 4 for all LA's 2007/08
23 days	22.3 days	Under 30 days

6 HOUSING BENEFIT OVERPAYMENTS

6.1 Overpayment means any amount paid as Housing Benefit when there was no entitlement under the regulations. Performance for the period 1 April 2015 – 31 March 2016:

Performance Measure	%
The amount of Housing Benefit (HB) overpayments recovered during the period being reported on as a percentage of HB overpayments deemed recoverable during that period.	77.66
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.	42.94
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.	1.72

7 CONCLUSION

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

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF32-16/ME/AC
26 May 2016

For further information please ask for Mark Edmondson.