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24 July 2008

To: Chairman – Councillor
Vice-Chairman – Councillor
Members of the Finance Portfolio Holder's meeting – Councillors R Hall,
RB Martlew and RT Summerfield

Quorum:

Dear Councillor

You are invited to attend the next meeting of **FINANCE PORTFOLIO HOLDER'S MEETING**, which will be held in **MEZZANINE, SECOND FLOOR** at South Cambridgeshire Hall on **THURSDAY, 24 JULY 2008 at 10.00 a.m.**

Yours faithfully
GJ HARLOCK
Chief Executive

The Council is committed to improving, for all members of the community, access to its agendas and minutes. We try to take all circumstances into account but, if you have any specific needs, please let us know, and we will do what we can to help you.

AGENDA

5. Revenue Collection Performance, 1st Quarter 2008/09

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Revenues Service Quarterly Performance Report - Quarter 1 2008/09

Introduction

With the abolition of Best Value Performance Indicators and introduction of National Indicators there is a significant change to the requirement for the Council to report on the performance of the Revenues and Benefits service.

The Council will, however, still be required to report on many former Revenues Services BVPIs through statistical returns (e.g. revenue collection rates) and for the most part the former BVPIs are considered to be valuable indicators of performance and therefore will continue to be reported to Portfolio Holder. The BVPI reference number have been retained as a convenient way of maintaining continuity of performance reporting.

A small number of former BVPIs are not considered to add value to the performance management process and will no longer be compiled - these are indicated in the commentary.

Economic Climate

The current economic climate does not appear to be affecting revenue collection since collection rates for the 1st Quarter show improvements on the same period last year.

1. Council Tax Collection

Council Tax current year collection is 0.1% ahead of the same time last year and on track to meet the target of 99.1%.

Pervious years' arrears collection is lower than at the same time last year. The arrears at 1/4/08 were £1.2m compared to £1.4m at 1/4/07 and consequently a higher proportion of debts are from those categories that are most difficult to collect.

2. Non-Domestic Rates

Collection is currently 0.4% ahead of last year, however it is not anticipated that this will result in any overall increase in collection rate at the end of the year due to the already very high level of performance (99.8%). First quarter figures indicate that collection performance for SCDC has not been adversely affected by the changes to empty property rate charges.

3. Rent Collection

Rent collection is 0.7% ahead of the same time last year and it is anticipated that the collection target will be met.

At 3.7% the number of tenants more than 7 weeks in arrears at the end of quarter 1 is marginally above target, however it is anticipated that the year end target will be met.

The % of tenants in arrears receiving Notices of Seeking Possession is on target at 5.2%.

Only 1 tenant has been evicted for rent arrears and it is expected that the target of 0% will be met.

4. Benefits Performance

4.1 Benefits Processing

There has been a significant change to the measurement of Housing and Council Tax Benefit performance with the introduction of two National Indicators to measure a) the number of changes to entitlement, and b) the average time taken to process new claims and changes to entitlement.

In addition to the new National Indicator 181, the average time to process new claims and changes in entitlement will continue to be reported separately for comparison purposes.

BVPI79a Accuracy of Processing - this is no longer reported since compilation of the indicator required one off sampling of 125 cases per quarter which was a time consuming and resource intensive process. A quality check of 10% of all assessments continues to be conducted and discontinuance of the quarterly sample is not considered to reduce the effectiveness of quality control processes.

Performance for new claims shows an improvement on the same period last year, but this has been achieved at the expense of some deterioration in performance in processing changes of circumstances. Remedial action is being taken to improve average timescale for processing changes of circumstances, however, a sudden serious illness has reduced processing capacity by 11% and is a cause for concern. Short-term measures are being taken to prevent performance deteriorating (overtime and agency employee) but additional temporary resources are likely to be required if performance is to be maintained.

4.2 Benefit Overpayment Recovery

Collection rates for overpaid benefit have improved on last year and year end targets are expected to be met.

4.3 Counter Fraud Activity

Performance Measure 10 (number of reductions in benefit entitlement) has now been subsumed into NI 180 and is no longer reported.

BVPI76b - Number of Fraud Investigators per 1,000 claims remains static at 0.16 and is no longer reported.

The number of investigation conducted is expected to exceed that for the last financial year.

Whilst the number of sanction imposed per 1,000 claims in the first quarter is low at 1.14, a number of further prosecutions are in progress and it is anticipated that performance will recover over the remainder of the year.

In view of recent media interest in the use of surveillance powers by local authorities an additional item has been added to the report to show the number of instances in which surveillance has been used in connection with benefit fraud investigations.

5. Sundry Debt Collection

Collection performance is on target.

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Housing and Council Tax Benefits Administration

Note: Monthly figures are NOT cumulative unless otherwise stated

Claims Administration

NI	Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Yr to Date	Target	2007/08
180	Number of change to benefit entitlement	1,016	885	1,116										3,012	10,000	n/a
181	Average time to process new claims and changes	13.23	15.28	15.11										14	14	n/a

BVPI	Description	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Yr to Date	Target	2007/08
78a	Average No. Days To Process New Claims	23.78	22.42	17.72										21.0	21.0	20.05
78b	Avg No. Days Time To Process Change Of Circs	9.39	12.3	14.32										12.0	12.0	8.52

2007/08	Average No. Days To Process New Claims	19.62	19.77	17.64	19.44	18.17	19.27	20.73	18.08	21.21	20.05
	Avg No. Days Time To Process Change Of Circs	8.39	7.11	6.89	10.52	9.07	10.83	8.64	7.06	8.33	8.52

Overpayment Recovery (Cumulative Figures)

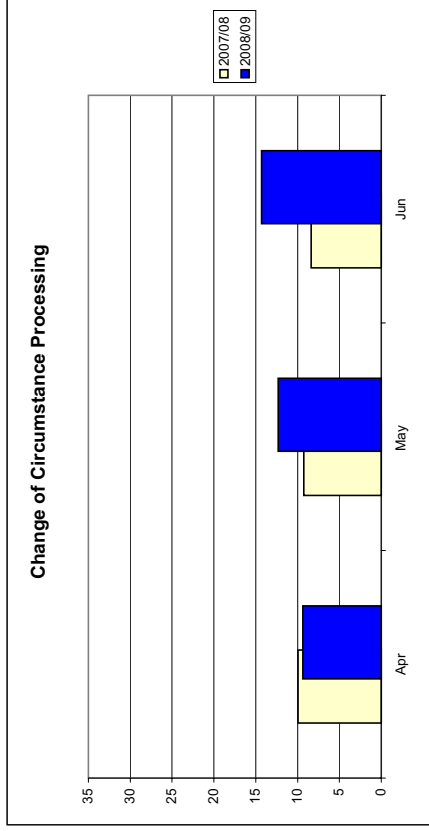
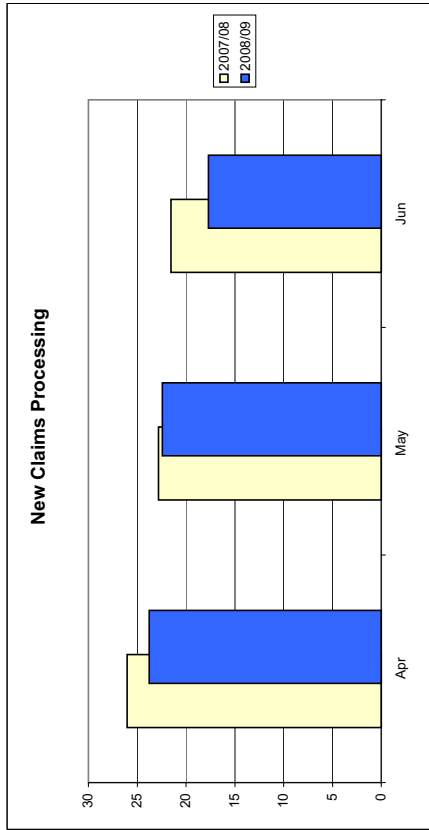
79b i	% recovered compared to identified in year	214.1%	147.7%	86.63%										86.63%	36.00%	72.93%
79b ii	% total overpayments recovered	7.5%	12.3%	16.38%										16.38%		34.03%
79b iii	% total overpayments written off	0.0%	0.0%	0.00%										0.00%		6.23%

Counter Fraud Action

76c	Fraud Investigations Conducted (per 1,000 cases)	1.47	2.28	2.44										6.19	10.00	21.48
76d	Prosecutions and Sanctions Imposed (per 1,000)	0.33	0.49	0.33										1.14		8.36
	Successful prosecutions	2	1	1										4		19
	Cautions	0	2	0										2		11
	Administrative penalties	0	0	1										1		21
	Use of Surveillance	1	1	0										2		

Discretionary Housing Payment Expenditure (cumulative)

DWP Grant	25,273	25,273	25,273
Amount Awarded	1,487	3,456	4,924
Balance (NB balance is returned to DWP)	23,786	21,817	20,349



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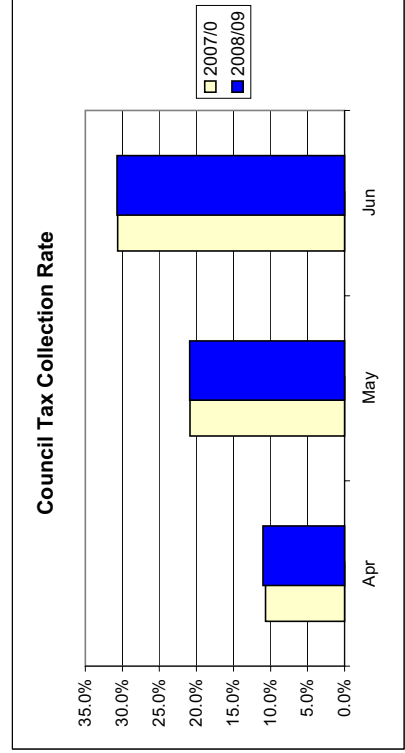
Council Tax Collection

Current Year Collection Analysis - £ 000s BVPI9

	Year Start	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Target	2007/08
Gross Charge	85,836	85,932	86,031	86,173											81,786
Reductions	-8,398	-8,347	-8,366	-8,425											-8,157
Net Charge	77,438	77,586	77,665	77,748											73,628
Council Tax Benefit	-4,888	-4,916	-4,893	-4,918											-4,619
Net Amount Collectable	72,550	72,670	72,772	72,829											69,009
Gross Payments	-1,187	-8,077	-15,358	-22,532											-69,092
Refunds	5	19	76	85											656
Credits on accounts	0	65	64	78											44
Net Payments	-1,183	-7,993	-15,218	-22,369											-68,392
Net payments in month	-1,183	-6,810	-7,225	-7,151											
Write offs	0	0	0	0											-13
Outstanding balance	71,368	64,677	57,554	50,461											605
Collection Rate (BVPI9)	1.6%	11.0%	20.9%	30.7%										99.2%	99.1%
% Collected in month	1.1%	9.6%	10.2%	9.8%											
Collection Rate Last Year	1.1%	10.7%	20.9%	30.6%	40.3%	49.9%	59.4%	69.2%	78.8%	88.1%	97.5%	98.7%	99.1%		
Difference	0.5%	0.3%	0.1%	0.1%											

Previous Years' Arrears Collection Analysis £ 000's

	2007/08	2007/08	Target	2007/08
Arrears b/f at 1/4/08	1,188	1,188	1,188	1,188
Net Payments Received	0	-59	1,188	1,188
Written Off	0	-133	1,188	1,188
Other adjustments	0	11	1,188	1,188
Balance outstanding	1,188	1,016	1,188	1,188
Percentage of arrears paid	0.0%	5.0%	11.2%	15.1%
Percentage of arrears paid 2007/08	0.0%	9.6%	17.3%	23.3%
			26.4%	32.8%
			30.1%	34.4%
			32.8%	36.2%
			34.4%	38.0%
			36.2%	39.8%
			38.0%	40.6%
			40.6%	42.6%
			42.6%	

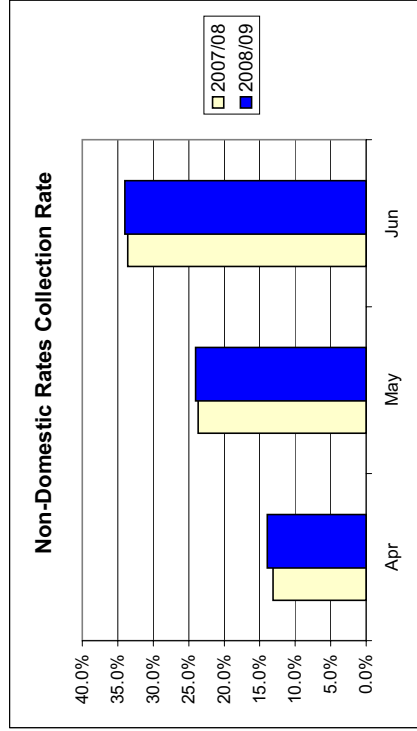


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Non-Domestic Rates Collection

Current Year Collection Analysis - £ 000s **BVPI 10**

	Year Start	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Target	2007/08
Gross Charge	66,408	66,009	66,302	66,038											60,359
Mandatory Relief	-5,902	-5,903	-5,945	-5,997											-5,661
Discretionary Relief	-215	-216	-218	-219											-209
Small Business Relief	-564	-562	-570	-582											-538
Net Amount Collectable	59,727	59,328	59,568	59,240											53,951
Gross Payments	-308,796	-8,369	-14,448	-20,380											-55,442
Refunds	0	62	118	158											1,374
Credits on accounts	0	45	19	79											243
Net Payments	-186	-8,262	-14,311	-20,143											-53,825
Net Payments in Month	-186	-8,076	-6,050	-5,832											
Write offs	0	0	0	0											-8
Outstanding balance	59,541	51,066	45,257	39,097											118
Collection Rate (BVPI10)	0.3%	13.9%	24.0%	34.0%										99.8%	99.6%
Collection Rate Last Year	2.8%	13.1%	23.7%	33.6%	44.5%	53.9%	63.3%	72.5%	81.8%	90.0%	97.3%	99.4%	99.8%		
Difference	-2.5%	0.8%	0.3%	0.4%											



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Rent Collection

Current Tenants Collection Analysis - £ 000s **BVPI 66a**

	Week 4	Week 8	Week 12	Week 17	Week 22	Week 26	Week 30	Week 35	Week 40	Week 44	Week 48	Week 52	Year End	Target	2007/08
Rent charged to date	1,650	3,301	4,952												20,565
Estimated annual rent	21,456	21,455	21,457												20,565
Arrears brought forward	336	336	336												436
Rent Collectable	21,792	21,790	21,793												21,001
Current tenant arrears	345	383	369												337
Actual Collection Rate (BVPI66a)	82.61%	89.47%	93.02%												98.60%
Projected Collection Rate (BVPI66a)	98.42%	98.24%	98.31%												98.40%

07/08 Actual Collection Rate (BVPI66a)	77.19%	87.53%	92.29%	93.77%	95.38%	96.13%	96.69%	97.39%	97.65%	98.05%	98.13%	98.33%	98.40%
07/08 Projected Collection Rate (BVPI66a)	97.80%	97.86%	97.95%	97.87%	97.99%	98.02%	98.06%	98.22%	98.18%	98.34%	98.27%	98.36%	98.40%

Projected collection rate is based on the current arrears compared against the projected full year debit

Former Tenant Arrears Collection Analysis - £ 000s

FTAs at 1/4/07	73	73	73												97
Written off	-	-	-												83
Current FTAs	79	80	83												73

Tenants Owing More Than Seven Weeks Rent **BVPI 66b**

Total Number of Tenancies (*)	5,498	5,494	5,502												5,490
Total Number > 7 Weeks Arrears (*)	183	196	205												190
% > 7 Weeks in Arrears	3.3%	3.6%	3.7%												3.5%

Tenants Receiving a Notice Seeking Possession **BVPI 66c***

Total Number of Tenancies in Arrears (*)	1,240	1,349	1,413												1,180
NOSPs Issued in Month	16	20	37												314
Total Number of NOSPs Served (**)	16	36	73												26.6%
% of Tenants Receiving NOSPs	1.3%	2.7%	5.2%												20.0%

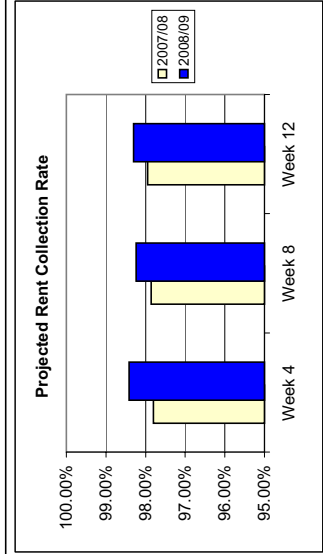
* Note: This is an approximate estimate since the number of tenants who have been at arrears at any point in the year cannot be accurately identified at the present time. Instead the highest number of tenants in arrears at any point during the year has been used. The correct figure will be higher, meaning that the actual % will be slightly low

Tenants Evicted **BVPI 66d**

Total Number of Tenancies (*)	5,498	5,494	5,502												5,490
Evictions in Month	1	0	0												7
Total Number of Evictions (**)	1	1	1												0.1%
% of Tenants Evicted	0%	0%	0%												0.0%

* Figures are as at reported date

** Figures are year to date cumulatives



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Sundry Debt Collection

Sundry Debt Collection (Cumulative Figures)

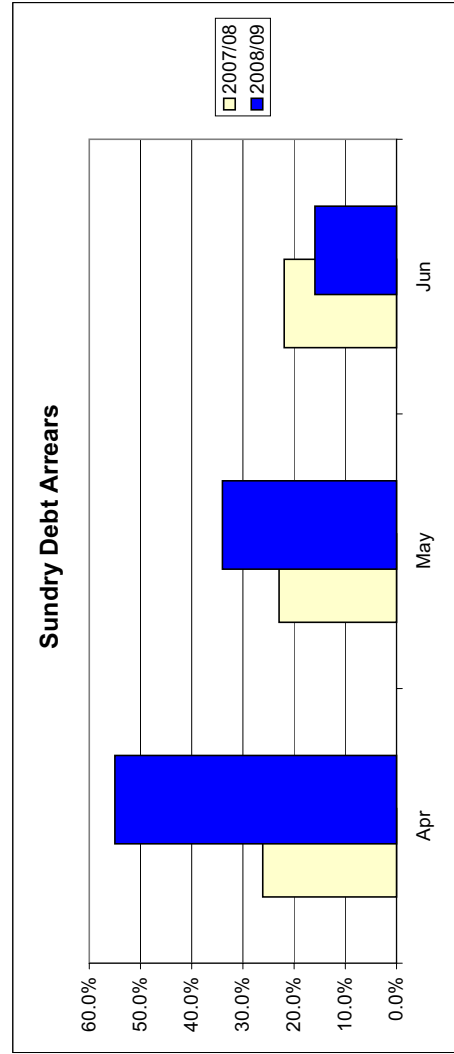
	Year Start	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Target	2007/08
Balance brought forward	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084		380,746
Invoices raised		324,285	707,274	942,594											5,000,650
Total Invoiced	888,084	1,212,369	1,595,368	1,830,878	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084	888,084		5,381,396
Balance outstanding	888,084	845,868	894,276	734,417											888,084
Arrears outstanding	341,109	666,523	542,721	291,549											341,109
Percentage paid	0.0%	30.2%	43.9%	59.9%											83.5%
Percentage outstanding	100.0%	69.8%	56.1%	40.1%											16.5%
Percentage in arrears	38.4%	55.0%	34.0%	15.9%											6.3%

Aged Debt Analysis

Current month	546,975	179,345	351,555	442,868											546,975
> 1 month overdue	73,187	362,840	95,557	112,756											73,187
> 2 months overdue	228,313	3,725	347,052	80,404											228,313
> 3 months overdue	39,609	299,958	100,113	98,389											39,609
Total Arrears	341,109	666,523	542,721	291,549											341,109
Total Outstanding	888,084	845,868	894,276	734,417											888,084

Aged Debt Analysis as % of Total Charge

Current month	61.6%	14.8%	22.0%	24.2%											10.2%
> 1 month overdue	8.2%	29.9%	6.0%	6.2%											1.4%
> 2 months overdue	25.7%	0.3%	21.8%	4.4%											4.2%
> 3 months overdue	4.5%	24.7%	6.3%	5.4%											0.7%
Total Arrears	38.4%	55.0%	34.0%	15.9%											0.6%
Total	100.0%	69.8%	56.1%	40.1%											3.9%
Arrears 2007/08	39.9%	26.1%	23.0%	22.0%	8.3%	5.9%	13.6%	8.9%	8.2%	7.2%	3.0%	8.4%	6.3%		



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