

PART 1 - PUBLIC

<Please select>

Decision Maker: Executive & Resources PDS

Date: 25 January 2012

Decision Type: Non-Urgent Non-Executive Non-Key

Title: REVENUES SERVICE MONITORING REPORT

Contact Officer: John Nightingale, Head of Revenues and Benefits
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

Chief Officer: Peter Turner

Ward: All

1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata up to the 30 November 2011. A letter from Amanda Inwood-Field, Liberata's Contract Director, provides her update on each individual service and is attached at Appendix 1 with statistical data relating to the Revenues service shown in subsequent appendices
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2. **RECOMMENDATION(S)**

- 2.1 The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: 400003
 4. Total current budget for this head: £3.4m
 5. Source of funding:
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Staff

1. Number of staff (current and additional): 7 (Revenues and Benefits Monitoring Team) plus Liberata staff
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. The amount of legislation that the services have to work to are too excessive to list here, but some are listed below:

Local Government Finance Act 1992, Part 1 of schedule 1, Reg 23, Reg. 34 (1), Reg. 35(2A), Reg. 34 (7), Reg. 54(4), Reg 45, Reg. 37, Reg. 47, Reg. 49, Reg. 50 (3) & Reg. 51 of the Administration and Enforcement Regulations 1992, Section 18 Local Government and Housing Act 1989), The Council Tax (Deductions from Income Support) & (Regulations 1993 as amended by the Social Security Act 1998), The Insolvency Act 1986, The Land Charges Act 1972 and the Land Registration Act 1925), The Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996

Local Government Finance Act 1988, Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations of 1989, Local Authorities (Contracting out of Tax Billing, Collection and Enforcement Functions) Order 1996, Statutory Instrument 1989/1058 Regulation 11(2), Statutory Instrument 1989/1058, Regulation 8(2), Statutory Instrument 1989/1058, Regulation 12(1), Statutory Instrument 1989/1058 Regulation 12(5), Local Government Act 1972, section 223, Statutory Instrument 1989/1058, Regulation 12(3), Schedule 6 of the Magistrates Courts Act 1980.

Late Payment of Commercial Debts (interest) Act 1998, Section 69 of the County Court Act 1984, Environmental Protection Act 1990 Section 80, Housing Act 2004, Local Government (Miscellaneous Provisions) Act 1980

National Insurance and Statutory Payments Act 2004, Gender Recognition Act 2004, Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, Local Government Pension Scheme (Transitional Provisions) Regulations 2008, Local

Government Pension Scheme (Administration) Regulations 2008, Local Government Pension Scheme Regulations 1997 (only those provisions not revoked), Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, Pensions Increase Act 1971 and annual Pensions Increase (Review) Orders & Colleges of Education (Compensation) Regulations 1975

2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect all Council Taxpayers, Business Ratepayers, those who owe general income to the Council, all staff, Members and Pensioners, this could amount to an estimated 175,000 people.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The Exchequer Services Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. A summary of performance by the services is contained in Appendix 2.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. To further illustrate the commitment to the continuous improvement agenda the Heads of Service of Liberata and Bromley meet regularly to deal with escalated issues, review policies and develop new ideas.

Council Tax

- 3.3 Council Tax collection rates for both in-year and arrears showed improvement on the previous years figures. The in-year collection rate as at the 30/11/11 was 77.16% and the current & arrears figure 77.02%. These show an increase in collection of 0.15% and 0.14% respectively.
- 3.4 As at the end of the accounting period there were no outstanding documents over 10 days old
- 3.5 During the period April to November, Liberata have been employed on a project to reduce the number of properties listed on the Council Tax database as long-term empty. Under a Government initiative (New Homes Bonus scheme) to reduce the number of empty properties, an Authority attracts 6 years funding at a rate equivalent to the annual Council Tax liability for any property brought back into usage. As a result of the work undertaken by Liberata in partnership with LBB's Empty Homes Team, the number of long-term empty properties reduced by 82 on the previous years return.
- 3.6 Instead of the normal Single Person Discount (SPD) review whereby the Authority writes to all recipients of the discount asking them to confirm their circumstances, this year a targeted exercise is being undertaken. A company has been employed to data match those properties attracting a Single Person Discount against financial records to see whether other individuals are recorded as being resident. Preliminary results have been received and a verbal update will be provided at the meeting.

Business Rates

- 3.7 The in-year collection performance as at the 30/11/11 was 80.17%, compared to 80.79% for the same time last year. The combined in-year and arrears collection performance stood at 77.80% as compared to 78.86% at the same time in 2010/11. Whilst the performance is disappointing, recent benchmarking data from other London Authorities show a general downturn in collection of business rates

Cashiers

- 3.8 The public facing aspect of the Civic Centre cash office closed permanently on the 7th November after operating restricted opening hours for a period of 2 months. A payment kiosk has been sited in the Civic Centre central reception area for onsite callers to make payments. However, we continue with our campaign to convince residents to move onto payment by direct debit or standing order

Sundry Debtors

- 3.9 Sundry debts are measured on what remains outstanding each month. At the 30th November 2011, there were 3795 invoices outstanding, with an income figure totalling £6.704m. Of the amount outstanding, 40.85% (1230 invoices) to the value of £2.73m had been outstanding for less than 60 days. Of the amount outstanding for less than 60 days, £2.011m was less than 30 days old.

Appendix 3 shows the 12 month trend by value.

There was a peak in the balance outstanding at the end of February 2011 as a result of £4.8m of invoices being raised in month. The overall balance outstanding reduced to £6.772m by the end of March 2011 with Primary Care Trusts clearing large invoices before year end. The total outstanding as at the end of April includes £4.67m of invoices raised in April 2011 including one invoice for Bromley PCT for £3.017m which appears in the outstanding debt until October 2011 when it was paid. The outstanding debt reduced further in November 2011 by large payments from local authorities, schools and Bromley PCT.

Appendix 4 shows the 12 month trend by number of invoices outstanding

There was a spike in April 2011 when invoices were raised for commercial rents, CRB checks, annual fees and quarterly Care Link charges. This reduced in May and June but increased again in July when bulk invoices were raised for schools, Bromley PCT, utilities and quarterly Care Link charges.

Appendix 5 shows information on debt owing by the utility companies. This information was requested by Members at the time of the last monitoring report.

Aged Debt as at 30 November 2011

Financial Year							
2004/5 & 05/06	2006/7	2007/8	2008/9	2009/10	2010/11	2010/11	2011/12
£238k	£140k	£157k	£244k	£726k	£725,909	£1.21m	£3.99m

	Financial Year (figures may not add up to grand total as rounded up/down)				
	04-06	06-07	07-08	08-09	Grand Total
Recovery being pursued	£6K	£32K	£29K	£9K	£75K
In recovery, paid by instalments	£6K	£0.3K	£4K	£23K	£33K
Awaiting probate	£2K	£20K	£18K	£17K	£58K
Secured by charge on property		£7K	£6K	£12K	£26K
Voluntary contribution/sponsorship				£2K	£2K
Vulnerable debtors, with LBB for review	£14K		£2K	£43K	£59K
Pre debt collector review			£0.2K	£0.3K	£0.5K
With debt collector			£3K	£5K	£8K
County Court claim	£17K	£2K	£5K	£14K	£39K
Judgement - Order to obtain Information requested				£64K	£64K
Judgment obtained - charging order	£2K				£2K
High court enforcement	£8K	£4K	£8K	£6K	£26K
Legal action with LBB	£45K		£0.05K	£7K	£52K
In dispute, with LBB service departments	£57K	£1K	£16K	£1K	£74K
Recommended for write-off	£78K	£72K	£38K	£24K	£212K
Admin penalty, cannot be recovered until HB and/or CTB overpayment is recovered	£4K	£3K	£27K	£15K	£49K
Awaiting cancellation			£0.2K		£0.2K
Grand Total	£238K	£140K	£157K	£244K	£779K

	Financial Year			
	09-10	10-11	11-12	Grand Total
Recovery being pursued	£77K	£427K	£3,125K	£3,628K
In recovery, paid by instalments	£40K	£86K	£162K	£288K
Awaiting probate	£141K	£36K	£151K	£328K
Secured by charge on property	£59K	£71K	£21K	£151K
Voluntary contribution/sponsorship		£0.1K	£5K	£5K
LBB Internal	£1K	£1K		£2K
Applying for Power of Attorney		£12K	£19K	£32K
Vulnerable debtors, with LBB for review	£187K	£148K	£83K	£418K
Pre debt collector review	£3K	£13K	£12K	£28K
With debt collector	£14K	£34K	£8K	£56K
Pre legal action review	£6K	£1K		£7K
County Court claim	£49K	£34K	£1K	£85K
Judgement - Order to obtain Information requested	£2K			£2K
Judgment obtained - charging order	£43K	£20K		£63K
High court enforcement	£1K			£1K
Legal action with LBB	£3K			£3K
In dispute, with LBB service departments	£19K	£294K	£350K	£664K
Recommended for write-off	£58K	£26K	£9K	£92K
Admin penalty, cannot be recovered until HB and/or CTB overpayment is recovered	£23K	£9K	£32K	£64K
Awaiting cancellation		£3K	£6K	£9K
Grand Total	£726K	£1,215K	£3,985K	£5,925K

Appendix 6 shows recovery on old debt year by year.

Appendix 7 show current year recovery on old debt.

Payroll

3.10 Accuracy performance of the Employee Payroll (excludes pension payroll) for the period to the 30 November 2011 was 99.80% with the Pensions Payroll being 100%.

3.11 In November, 100% of payroll forms and correspondence were completed within 10 days

Pensions

3.12 Membership numbers recorded on the pensions administration system as at 30 November 2011 were 5090 actives, 4059 deferreds and 4613 pensioners.

4. FINANCIAL IMPLICATIONS

4.1 The report refers to the significant income collection undertaken through the Exchequer Services contract with Liberata

Non-Applicable Sections:	[Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	

Peter Turner. Finance Director
Director of Finance
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Our Reference

Date: 16th December 2011

Our Ref: AIF/LH

Dear Peter,

As we approach the January 2012 Executive & Resources PDS meeting where we consider and review the Exchequer service, we take this opportunity to write to you with Liberata's assessment of the performance that we have provided to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the current financial year for the period 1st April 2011 to 30th November 2011.

Council Tax

The in-year collection performance at the 30th November 2011 was 77.16% which is 0.15% ahead of this time last year, and is the highest November collection achieved to date since 2004/5.

Arrears collection performance also showed improvement at the same date with 77.02% collected compared to 76.88% last year.

Council Tax administration is now being undertaken from Liberata's Shared Service Centre (SSC) in Barrow. This will allow LBB to benefit from the shared resilience of 45 full time Revenues Officers who have a wealth of experience in this specific area of work. Additionally during the new financial year Liberata will look to transfer to SSC any work that requires tracing, this is where mail has been returned marked gone away, as this allow this complex area of debt recovery to be managed by experienced tracing officers.

As a result the Recovery Team based in Exchequer House will now concentrate on identifying and introducing further initiatives to improve collection. A Court Officer has been appointed to provide specialist knowledge and be responsible for both Magistrates Court Hearings and County Court in respect of Sundry Debt cases. The Court Officer is also revisiting our high end recovery procedures and has initiated an arrears surgery. This is an appointment service and targets those customers with the highest outstanding debts. This has seen debts totalling over £17k secured by Direct Debit arrangements.

ENQUIRIES:

For Housing Benefit & Council Tax enquiries, telephone 0845 130 0330. You will be able to speak to an advisor or, make an appointment by pressing the personal appointment option.

For general enquiries and other departments, telephone 020 8464 3333



LIBERATA

There have been training sessions on both Means Enquiries and County Court Claims with both being attended by Liberata and London Borough of Bromley Staff.

Campaign Manager will be introduced, this automatically assigns documents and correspondence to users without the need for manual intervention.

We are continuing with the drop-in summons surgeries each month. This provides taxpayers with the opportunity to meet with Customer Services staff to discuss issues and make arrangements.

The New Homes Bonus project (an initiative to tackle the national shortfall of residential housing) was implemented during the summer months to maximise the funding available to LBB. In October 2011 the total number of long term empties recorded on the Council Tax database reduced by 82 attracting a bonus of approximately £725k over six years. This award minimises losses in funding for the building of new homes and provides an essential source of revenue. In addition, the fast-track review now undertaken by Liberata has enabled the New Homes Team to provide a more responsive and efficient enforcement service as the Empty Property Officers now have full access to the Council Tax systems. This has provided them with far better visibility and support than was available through their existing complaints database.

Business Rates

All London Borough Local Authorities are experiencing a drop in collection of Business Rates. This has been attributed to the five year Rateable Value increases that came in this year, along with the economic climate. As a result the November performance for both in-year of 80.17% and arrears of 77.8% have adverse variances compared to last year. Therefore with effect from the 2nd December, the telephone calls from Exchequer House have been transferred to Liberata's NNDR Shared Service Centre in North Somerset to allow the team based in Bromley to focus their time on identifying new initiatives to increase collection over the next four months to the 31st March 2011.

The team has continued with its targeted collection activities, focussing on checking the Top 500 debtors for any defaulters. Improved monitoring of Bailiff Cases over 90 days, and proactively following-up of the arrears outstanding in particular those of the last two years.

Debtors

The collection figure at 30th November 2011 of 83.87% compares to 82% at the same time last year. The 1.87% increase equates to £2.583m additional revenue for LBB. This has been as a result of appointing a dedicated Manager, reviewing current processes and increasing the resources within the team.

Liberata continue to work in partnership to improve collection in this area, and the training sessions in Debt Recovery and County Court

Claims have been attended by both Liberata and London Borough of Bromley Staff.

We continue to promote the payment of debts via paye.net and, have had regular meetings with the FIS team to try and increase the number of customers who can pay by Direct Debit.

Cashiers

November 2011 saw the closure of the front facing cashiers, and the installation of a payment kiosk. Liberata and London Borough of Bromley staff worked in partnership to provide a phased closure over 2 months giving customers time to adjust to using the payment kiosk or to look for other methods of payment. As part of this project Liberata took the opportunity to encourage customers to move to making payments by Direct Debit.

Payroll

The Payroll Team continue to provide a valued service with an average accuracy rate of 99.92%. The Team has supported Bromley Council with the successful rollout of several key projects since April 2011:

- April 2011 Online Payslips
- July/August 2011 Academy Schools
- November 2011 Casual Annual leave

The schools transferring to Academy status presented a challenge not experienced before. The Team worked closely with HR to visit schools, Finance Forums and Head Teacher meetings to ensure everything was in place for a successful transfer.

In order to facilitate the additional processes required for Academy schools, the processing cycle runs to a different timetable. This gives the schools time to check their payroll and submit authorisation for Bacs processing.

Pensions

The team have continued to provide an accurate and timely service. In addition to business as usual, the section has been involved with a number of additional projects:-

Academy Data Conversion: - We have continued to calculate and provide data to the fund actuaries to enable them to calculate new employer contribution rates for a number of schools wishing to convert to academy status.

The Team issued life certificates to the overseas pensioners and dispatched Annual Benefit Statements for active, deferred, Pension Credit and Councillor members.

Report reconciliations for the following processes:-Transfers in, transfers out, retirement grants and death grants were reconciled for quarter one and two and submitted to Bromley Accounts department.

We have redesigned the Annual Newsletter with the assistance of the Liberata Design and Print Team which has been despatched to all active employees.

We have received and dealt with an extremely high volume of estimate requests for redundancy quotations and restriction in pay calculations from HR.

Despite these additional challenges the Pension Team have provided training sessions to the following schools and members at St Olave's, Charles Darwin School, Coopers Technology College, Hayes Primary and Highfield Infants.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Amanda Inwood-Field', with a stylized flourish at the end.

Amanda Inwood-Field
Contract Director

The key elements of the Revenues Service includes (2011/12 figures):

- £ 160 million – Annual amount of Council Tax raised
- £ 86 million – Annual amount of Business Rates raised
- £ 19 million – Annual payment of Housing & Council Tax Benefit
- £ 83.5 million – Annual gross payment of staff salaries (through the payroll service, including Teachers)
- £ 14.3 million – Annual payment of pensions
- £ 20.9 million - Income collection to date
- £ 30.4 million in revenue and 72,874 (excludes Affinity Sutton transactions of 2,243) in cashier transactions and 3,674 cash collections

Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 2003/04	Actual 2004/05	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Actual 2010/11	As at 30/11/11
BV9:CTAX Collected	96.8%	97.1%	97.0%	97.0%	97.1%	97.03%	97.28%	97.59%	77.16%

Actual 30th November 2010 – 77.01%

The amount of collectable debt raised for the year 2011/12 as at 30th November 2011 is **£160m** (net of Benefits) in respect of **135,262** properties.

4397 refunds for £1,149,038.60 have been issued April 2011 – November 2011.

The following Council Tax recovery notices were issued:

	2006/7	2007/8	2008/09	2009/10	2010/11	As at 30/11/11
Reminders	53,371	41,710	39,382	34,892	34,971	43,437
Summonses	13,757	14,244	13,432	17,061	19,774	13,296
Liability Orders	10,135	6,270	7,079	10,713	12,956	6,585
14 day letters – Bailiff warning	11,332	11,276	10,761	13,127	11,823	7,334
Accounts passed to Bailiff	5,864	6,896	6,882	9,724	9,538	8,002

The first 14 day letters were issued to the bailiffs on 11/07/2011.

Up until then we had issued 7,334 14Day letters from 01/04/2011.

Breakdown of uncollected debt for 2010/11 as at 30th November 2011

Council Tax – Summonsed Debt	
Summonses	204,525.72
Arrangement	204,455.66
14 day	8,288.64
Bailiff	789,428.32
Attachments	185,966.62
Bankruptcy	2,082.56
Charging Orders	
Liability	606,613.03
Sub Total	2,001,360.55

Un-summonsed Debt	
Final (un-sum)	45,741.01
Un-summonsed	438,468.61
Sub Total	484,209.62
Total	2,485,570.17

The breakdown analysis of the total 2010/11 debt outstanding at the 30 November 2011 of **£2,485,570.17** is shown above. There is **£2,001,360.55** at various stages of summons and post summons action and remedies that are going "through the process" with **£484,209.62** at the pre summons stage

The majority of the un-summonsed accounts relate to accounts where there has been a revision of the liability or recovery action had previously been temporarily suppressed. All un-summonsed cases are currently being reviewed to ensure that where appropriate they are swiftly brought into the recovery programme.

Business Rate Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 2003/04	Actual 2004/05	Actual 2005/06	Actual 2006/07	Actual 2007/08	Actual 2008/09	Actual 2009/10	Actual 2010/11	As at 30/11/11
BV10:Rate s Collected	98.5%	98.7%	99.6%	99.5%	99.8%	99.1%	99.02%	98.9%	80.17%

Actual 30th November 2010 – 80.79%

Appendix 2

The amount of collectable debt raised for the year 2011/12 is **£86 million** in respect of **7,249** properties.

There have been **686** refunds actioned from the 1/4/11 to the 30/11/11 amounting to **£2.9m** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	As at 30/11/11
Reminders Issued	4,352	3,486	4,972	4,559	3,609	3,977	3404	2,133
Final Notices Issued	359	239	585	1,698	1,529	1,892	1,824	1,480
Summonses Issued	1,024	1,137	980	894	704	903	725	944
Liability Orders	706	775	675	602	426	666	672	533
7 day letters issued	423	1,021	1,421	605	299	674	367	311
Accounts passed to Bailiff	200	322	542	331	130	316	430	423

The 2010/11 debt carried forward at the 1 April 2011 was **£555,973.08** and the outstanding 2010/11 debt at the 30 November 2011 was **£253,711.70** which is a decrease of **£302,261.38**

NDR – Summonsed Debt	£
Summons	20,104.53
Arrangement	10,661.09
7 day	14,023.09
Bailiff	66,436.54
Recovery	8,866.44
Liability	75,287.77
Un-Summonsed	
Reminders	13,391.22

Finals	3,327.04
Non Recovery	
Billing	41,613.98
Total	253,711.70

Movement in arrears for reporting period -

Arrears total 1990 - 2010/11 as at 01/04/11 £1,459,406.17

Arrears total 1990 - 2010/11 as at 30/11/11 £ 521,607.30

Reduction overall arrears of **£ 937,798.87**

Cashiers Data

The cashiering service dealt with the following transactions in the period 01/04/2011 to 30/11/2011

Civic Centre	£30,372,830.12 counter (This excludes Affinity Sutton)
Affinity Sutton	£228,249.68 back office November only £246,319.67 Kiosk November only £402,106.22 (Civic Centre)
Total	£30,774,936.34

Payroll Data:

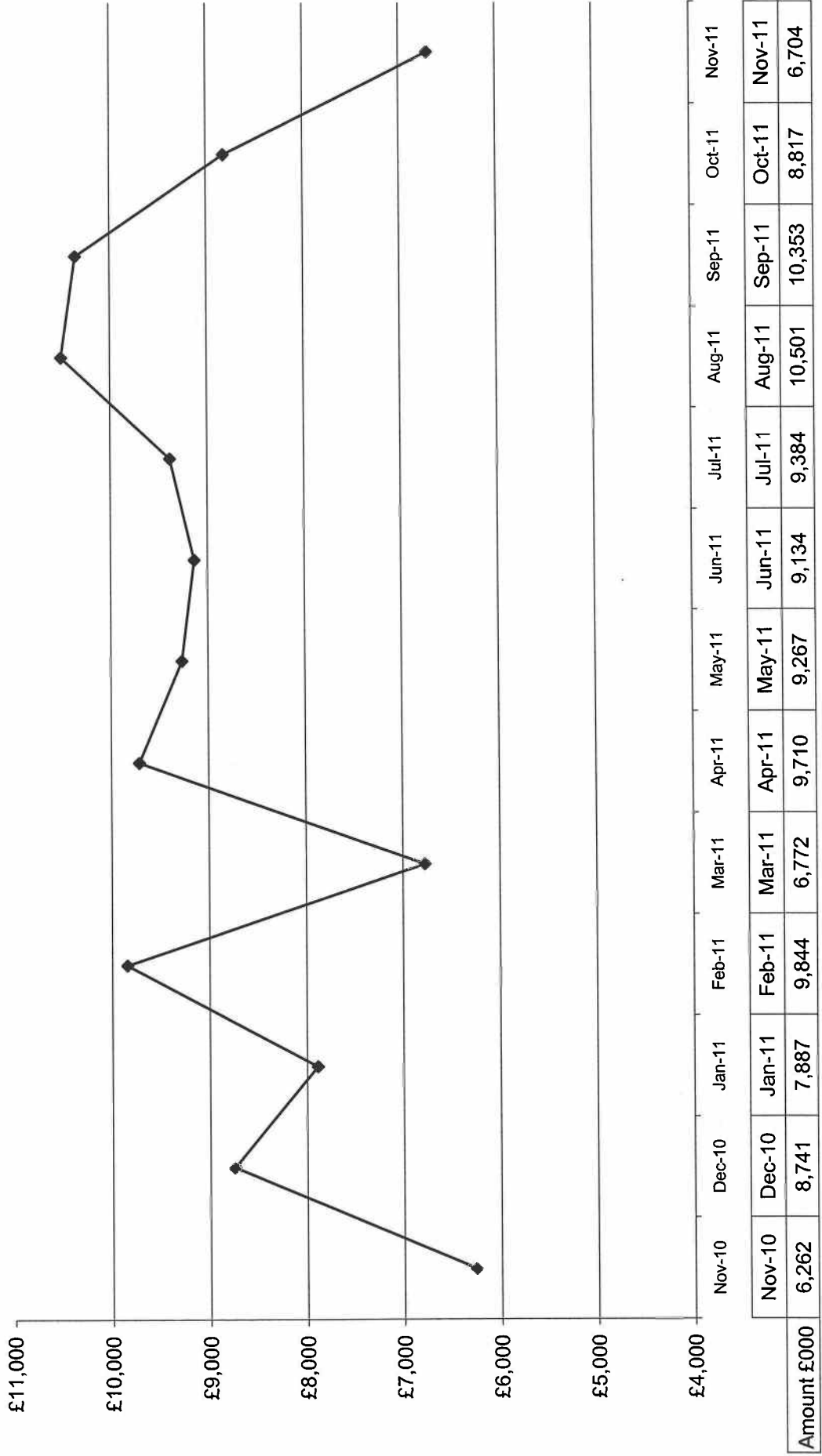
The average number of payments made each month/annually is shown below:

	Monthly	Annually
Non Teaching/Teaching	6446	82903
Pensions	4644	55105

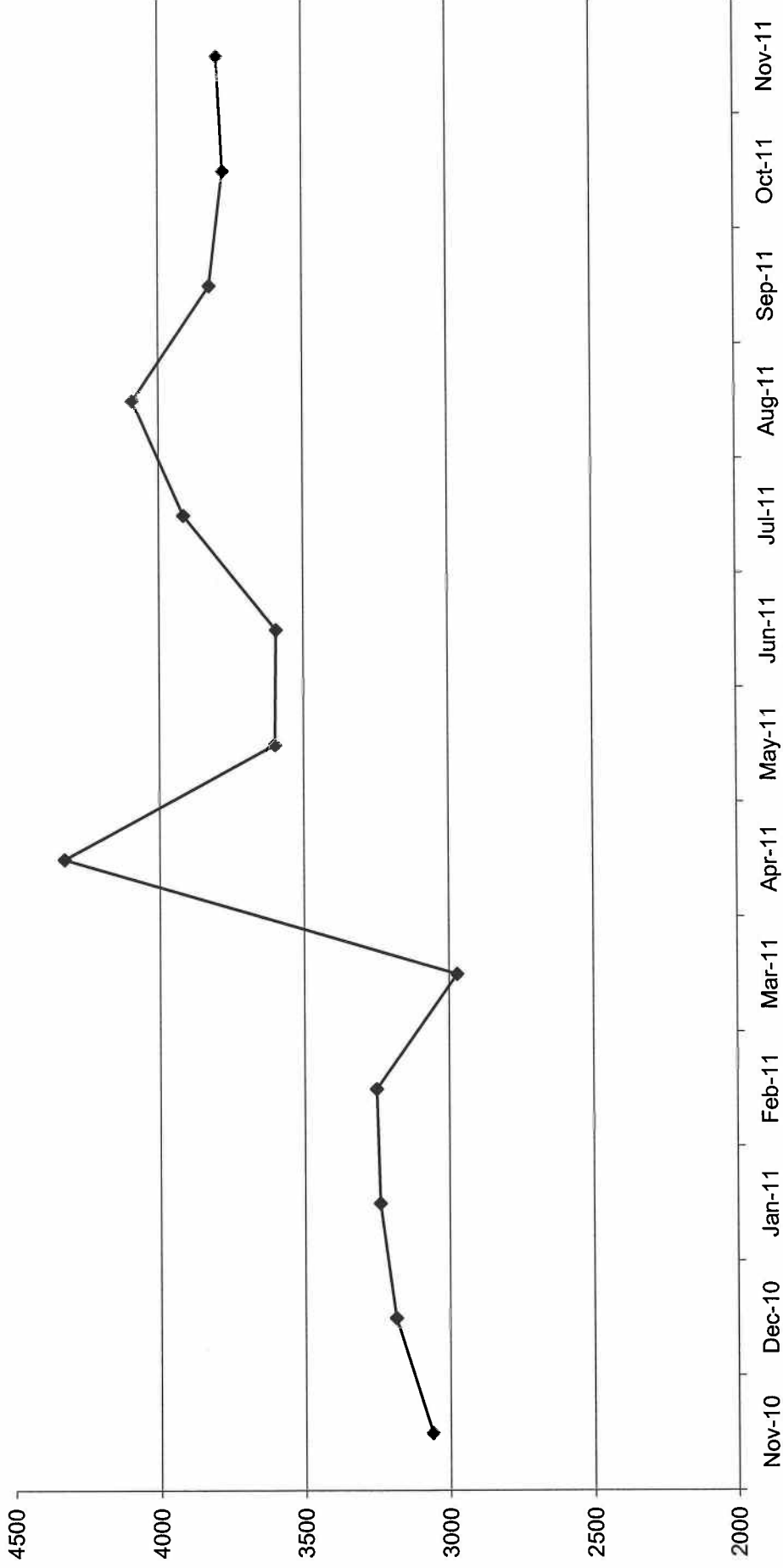
Complaints Data:

Service	2006/07	2007/08	2008/09	2009/10	2010/11	As at 30 th November 2011
Council Tax	115	86	109	104	125	118
NDR	3	4	2	0	2	1
Pensions	14	24	7	9 (5 unfounded)	7 (4 unfounded)	0
Payroll	37	10	5	10 (6 unfounded)	9 (3 unfounded)	3
Sundry Debtors/Income	Income – 0	Income – 5	Income - 1	Income - 1	Income - 2	0
Cashiers	0	0	0	0	0	0

Invoices - Balance Outstanding £000



Number of Invoices



	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
Total	3062	3187	3241	3252	2970	4329	3599	3594	3914	4090	3822	3774	3795

Summary of Utility Debt as at 30 November 2011

UTILITY	TOTAL UNDER 30 DAYS	TOTAL OVER 30 DAYS	TOTAL OUTSTANDING	NO.OF INVOICES IN DISPUTE	AMOUNT OF INVOICES IN DISPUTE
THAMES WATER	£97,724.50	£629,783.49	£727,507.99	41	£133,171.50
VIRGIN MEDIA	£26,891.00	£108,712.62	£135,603.62	8	£38,574.50
BRITISH TELECOM	£24,084.00	£91,890.00	£115,974.00	3	£1,425.00
EDF	0.00	£58613.27	£58,613.27	5	£4,289.88
UK POWER NETWORKS LTD	£10,889.01	£41,294.00	£52,183.01	1	£67.00
SOUTHERN GAS	£11,986.00	£5,233.84	£17,219.84	7	£2,154.92
TOTAL	£171,574.51	£935,527.22	£1,107,101.73	65	£179,682.80

Invoices are raised by LB Bromley for New Roads and Street Works (NRSW). The invoices often cover a number of individual defects or inspections with backing documentation being provided to substantiate the debt.

LB Bromley invoices state that any dispute should be entered in writing within 14 days of receipt. In practice, disputes are received late and can take a considerable time to resolve. While there remains an outstanding dispute, collection and effective recovery cannot be made.

Liberata has a member of staff whose primary role is collecting utility debt and makes contact with the companies on a weekly basis.

All available recovery options are employed including considering legal action. Legal advice is that every possible opportunity should be taken to resolve disputes prior to a County Court claim being entered. Historically, when claims are defended the judge can refer the local authority to arbitration through the Highway Authorities and Utilities Committee (HAUC) process.

Thames Water

An additional payment of £33k has been made in December.

The invoices are split into different categories:

Defects

£73K of invoices for defects up to and including March 2010 cleared in December following agreement between LB Bromley NRSW team and Thames Water. A further £12K will be cleared under the agreement by the end of January. Thames advises that they dispute the remaining invoices.

Section 74

£19.9K of invoices cancelled in December. £19K of invoices paid in December. The remainder are being pursued for payment.

Inspections

£178K of invoices; Thames have advised that all are disputed with NRSW team

Permits

None outstanding

Liberata is visiting the Thames Water offices in January to explore how we can work closer to reduce the outstanding level of debt and number of disputes.

Virgin Media

Payment of £22,385 made in December. Virgin are disputing six invoices totalling £ 33,439 with NRSW team. Late payment interest letters sent on invoices over 30 days and not in dispute. Virgin Media are escalating non-payment internally.

British Telecom

Payment £12,654 made in December. Late payment interest letters sent on all debts over 30 days where there is no dispute outstanding. BT is conducting an internal audit which has delayed payment.

EDF

Dispute letters are being submitted in respect of all outstanding invoices.

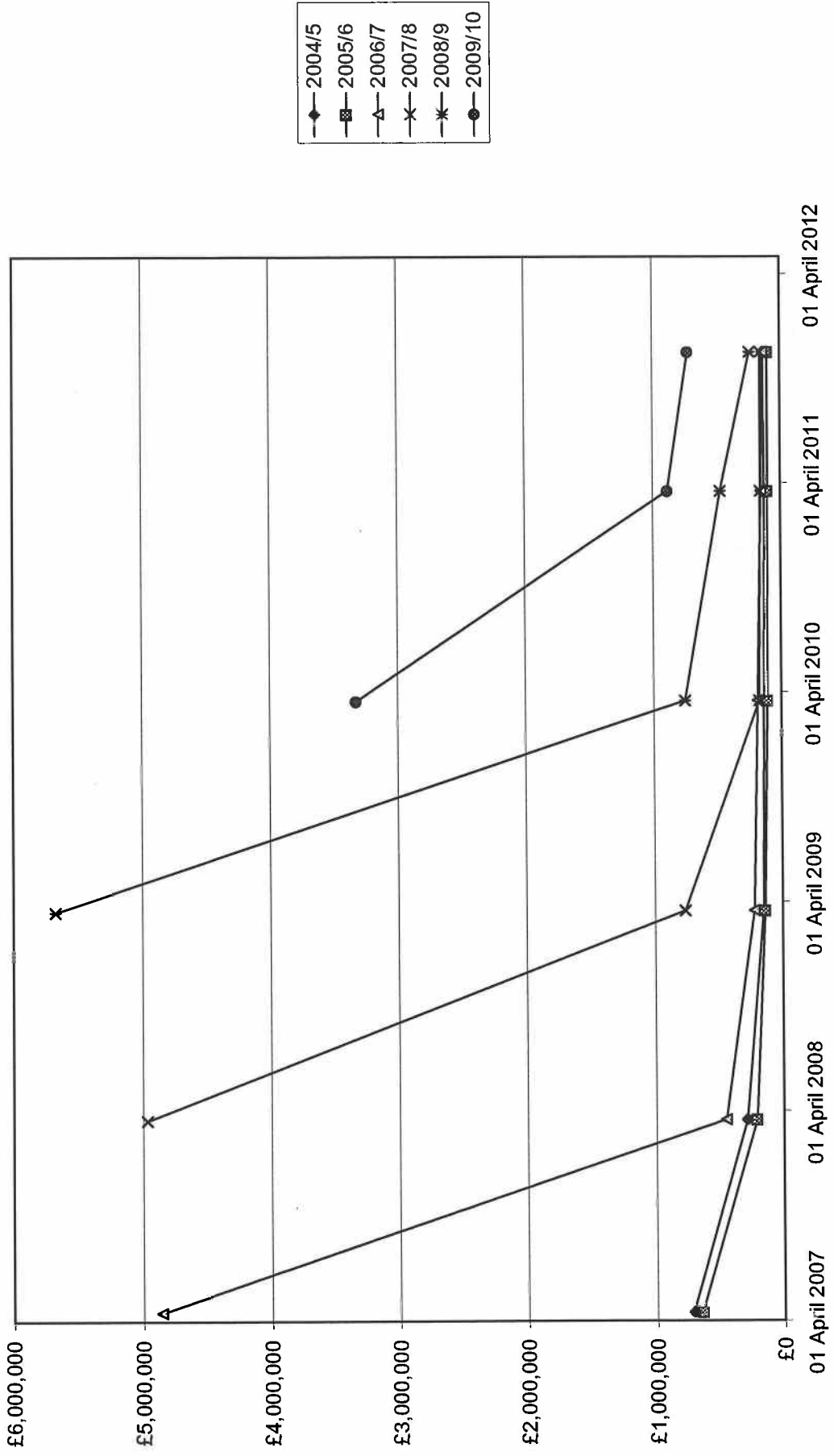
UK Power networks Ltd

£5,356 paid in December. £3,004 agreed and will be paid in January. Only one invoice is marked as being in dispute; there have been discussions between LB Bromley NRSW team and UK Power Networks and Liberata is waiting for the outcome in order to pursue recovery action.

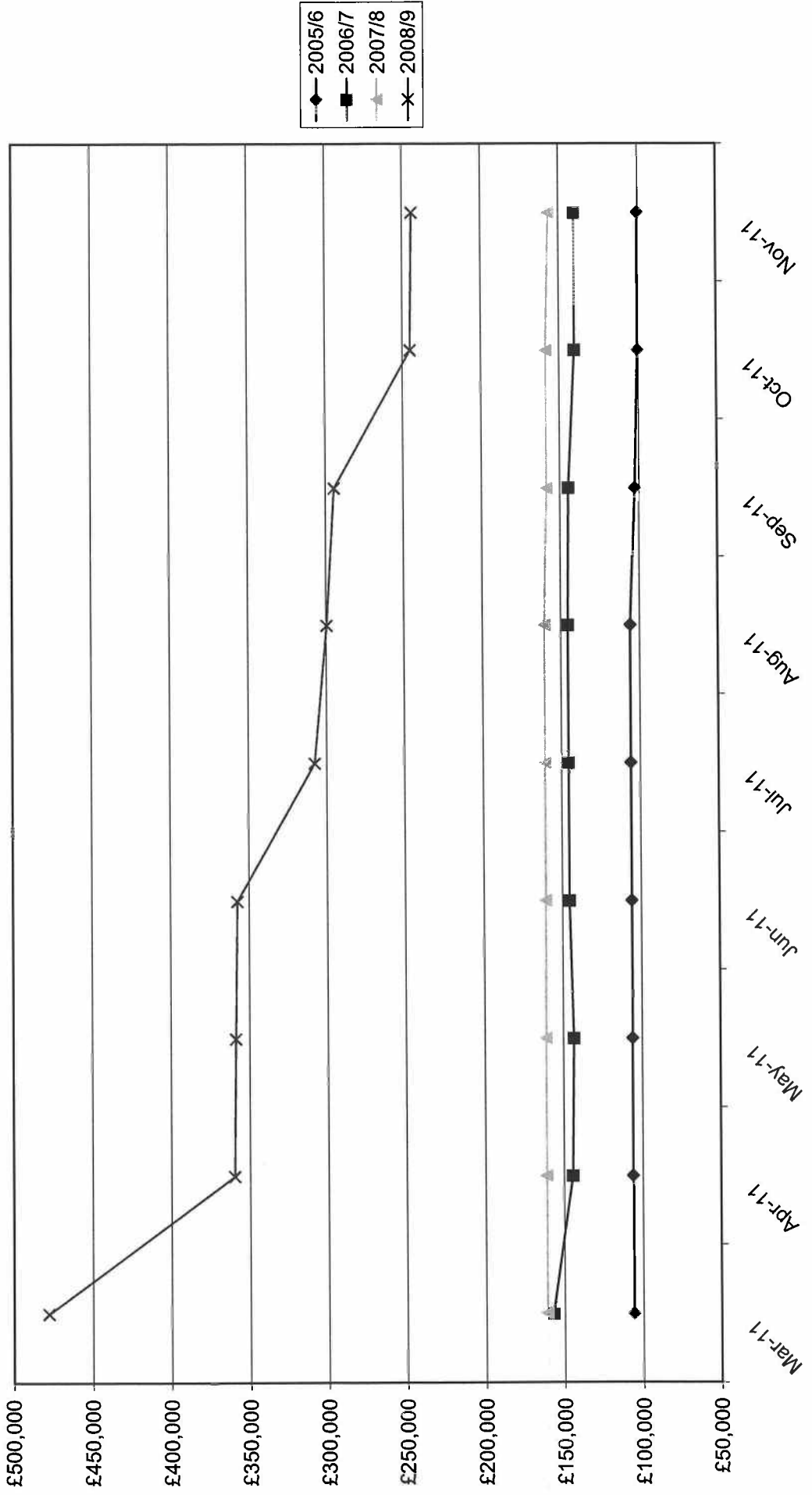
Southern Gas

£13,742 cleared, Southern Gas dispute the remaining invoices; this is with the NRSW team.

RECOVERY ON OLD DEBT YEAR BY YEAR



CURRENT YEAR RECOVERY ON DEBTS RAISED 2005/09



CURRENT YR RECOVERY ON DEBTS 2009-2011

