

**Decision Maker:** Executive & Resources PDS

**Date:** 18 July 2012

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

**Title:** REVENUES SERVICE MONITORING REPORT

**Contact Officer:** Jayne Carpenter, Revenues and Benefits Manager  
Tel: 020 8461 7996 E-mail: jayne.carpenter@bromley.gov.uk

**Chief Officer:** Director of Resources

**Ward:** All

---

1. Reason for report

This report provides information regarding the performance of the Revenues Services provided by Liberata up to 31 March 2012. 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 the subsequent appendices.

---

2. **RECOMMENDATION(S)**

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
- 

## Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: 400003
  4. Total current budget for this head: £3.4m
  5. Source of funding:
- 

## 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
- 

## 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 list 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 1989), 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 Pensions Scheme (Transitional Provisions) Regulations 2008, Local Government Pension Scheme (Administration) Regulations 2008, Local Government Pensions 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.

#### Further Details

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

#### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect all the Council Tax payers, Business Rate payers, those who owe general income to the Council, all staff, Members and Pensioners, this could amount to 175,000 people.
- 

#### Ward Councillor Views

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

### **3. COMMENTARY**

- 3.1 The Exchequer Services Team monitors the contract, set targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures that 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 improve 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 an improvement on the previous year's figures. The in year collection rate as at the 31 March 2012 was 97.65% and the current & arrears figure was 97.43%. These show an increase in collection of 0.04% and 0.12% respectively.
- 3.4 As at the end of the accounting period there were 9 documents outstanding over 10 days old.
- 3.5 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 Single Person Discount against financial records to see whether other individuals are recorded as being resident. Under Phase 1 of the project 4097 letters were sent to residents where the data match indicated that there was a strong possibility of another adult being resident. To date 70 recipients of SPD admitted that another adult was resident in the property and a further 686 have yet to reply to our enquiries. If no response is received SPD will be removed from their account from 1 April 2011. Under Phase 2 of the project another 5212 letters have been sent to SPD recipients where the data match indicated that they may have moved or have links with another property.

#### **Business Rates**

- 3.6 The in year collection performance as at the 31/3/12 was 98.81%, compared to 98.90% for the previous financial year. The combined in-year and arrears collection stood at 95.40% as compared to 98.31% at the same time in 2010/11. Whilst performance was disappointing, many other local Authorities have experienced difficulties in collecting this debt given the current financial climate.

#### **Cashiers**

- 3.7 The public facing aspect of the Civic Centre cash office closed permanently on 7 November 2011. A payment kiosk has been sited in the Civic centre central reception area for on-site callers to make payments. However, we continue with our campaign to convince residents to move onto payment of direct debit or standing order.

#### **Sundry Debts**

- 3.8 Sundry debts are measured on what remains outstanding each month. At the 31 March 2012, there were 2782 invoices outstanding, with an income figure totalling £ 6.199m. Of the amount

outstanding, 796 invoices to the value of £2.46m (39.68%) had been outstanding for less than 60 days. Of the amount outstanding for less than 60 days, £1.882m was less than 30 days old.

The collection rate for in-year debt as at 31 March 2012 is 89.73%. This is an increase of 4.73% on the 2010/11 figure. An additional £1.3m has been collected this year.

3.9 Appendix 3 shows the 12 month trend by value.

The total outstanding at the end of April 2011 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 total outstanding debt peaked in August 2011 when large invoices were raised for schools, Bromley PCT and local authorities.

The debt then reduced month on month with the exception of December 2011 when the quarterly rent and large PCT invoices were raised and February 2012 when schools invoices were produced.

The outstanding debt reduced to £6.199m at the end of March when large payments were received from Bromley PCT and the schools.

3.10 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 and August when bulk invoices were raised for schools, Bromley PCT, utilities and quarterly Care Link charges. There was a further spike in February 2012 when a large number of schools invoices were raised.

3.11 Appendix 5 shows a summary of Utility debt as at 31 March 2012

The following table shows the aged debt at the 31 March 2012

**Aged Debt as at 31 March 2012**

<b>Fin Year</b>							<b>Total at 31/3/12</b>
2004/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	
£205k	£103k	£98k	£209k	£569k	£861k	£4.15m	£6.199m

3.12 Appendix 6 shows recovery on old debt year by year.

3.13 Appendices 7 and 7a show current year recovery on old debt.

	Financial Year debt raised				
	04-06	06-07	07-08	08-09	Grand Total
Recovery being pursued	£3K	£8K	£1K	£1K	£13K
In recovery, paid by instalments	£5K		£4K	£21K	£31K
Awaiting probate	£2K	£20K	£18K		£41K
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/legal action review		£2K	£1K		£3K
With debt collector			£2K	£5K	£7K
County Court claim	£17K		£5K	£14K	£37K
Judgement obtained – Order to request information				£64K	£64K
Judgment obtained - charging order	£2K				£2K
High court enforcement	£8K	£4K	£8K	£6K	£26K
Legal action with LBB	£45K			£7K	£52K
In dispute, with LBB service departments	£54K	£1K	£4K		£59K
Recommended for write-off	£50K	£58K	£28K	£18K	£154K
Admin penalty, cannot be recovered until HB and/or CTB overpayment is recovered	£4K	£2K	£18K	£15K	£39K
<b>Total Outstanding</b>	<b>£205K</b>	<b>£103K</b>	<b>£98K</b>	<b>£209K</b>	<b>£615K</b>

	<b>Financial Year Debt raised</b>			
	<b>09-10</b>	<b>10-11</b>	<b>11-12</b>	<b>Grand Total</b>
Recovery being pursued	£7K	£231K	£3,054K	<b>£3,292K</b>
In recovery, paid by instalments	£40K	£64K	£243K	<b>£347K</b>
Awaiting probate	£139K	£30K	£144K	<b>£313K</b>
Secured by charge on property	£7K	£68K	£32K	<b>£107K</b>
Voluntary contribution/sponsorship			£5K	<b>£5K</b>
Applying for Power of Attorney		£5.5K	£33.5K	<b>£39K</b>
Vulnerable debtors, with LBB for review	£150K	£111K	£167K	<b>£427K</b>
Pre debt collector review	£3K	£11K	£17K	<b>£30K</b>
With debt collector	£5K	£36K	£24K	<b>£65K</b>
Pre legal action review	£16K	£5K	£1K	<b>£22K</b>
Legal action in progress	£10K			<b>£10K</b>
County Court claim	£58K	£61K	£3K	<b>£122K</b>
Judgement – order to obtain information requested	£2K			<b>£2K</b>
Judgment obtained - charging order	£43K	£20K		<b>£63K</b>
High court enforcement	£1K			<b>£1K</b>
In dispute, with LBB service departments	£19K	£181K	£376K	<b>£576K</b>
Recommended for write-off	£46K	£24K	£7K	<b>£78K</b>
Admin penalty, cannot be recovered until HB and/or CTB overpayment is recovered	£21K	£9K	£44K	<b>£74K</b>
Awaiting cancellation		£5K	£5K	<b>£10K</b>
<b>Total Outstanding</b>	<b>£569K</b>	<b>£861K</b>	<b>£4,155K</b>	<b>£5,584K</b>

### 3.14 Payroll

Accuracy performance of the Employee Payroll (excludes pension payroll) for the period to 31 March 2012 was 99.77% with the Pension Payroll being 100%.

In March 2012, 98.46% of payroll forms and correspondence were completed within 10 days.

### 3.15 Pensions

Membership numbers recorded on the pension administration system as at 31 March 2012 were 5040 actives, 4165 deferreds and 4628 pensioners.

## 4. LEGAL IMPLICATIONS

<b>Non-Applicable Sections:</b>	Personnel, Legal
Background Documents: (Access via Contact Officer)	