

PART 1 - PUBLIC

Decision Maker: Executive & Resources PDS

Date: 18 July 2013

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

Title: REVENUES SERVICE MONITORING REPORT

Contact Officer: John Nightingale, Head of Revenues and Benefits
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Chief Officer: Peter Turner, Director of Finance

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 31 March 2013. 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

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: £3.37m
 5. Source of funding:
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Staff

1. Number of staff (current and additional): 2 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

The Revenues and Benefits 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.

To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management, and 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.

3.1 Council Tax

Council Tax collection rates for both in-year and arrears showed improvement in 2012/13 compared to the previous year. The in-year collection rate for 2012/13 was 97.76% with the current & arrears figure being 97.45%. These show an increase in collection of 0.13% and 0.02% respectively. Bromley's in-year collection for 2012/13 was the 6th best in London and 1.36% above the average of the Capital boroughs

Throughout the year Liberata's Council Tax Section worked with LBB 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, the amount of long-term empty properties was 112 less than that entered on the previous years return. This equates to approximately £1m additional funding.

In the latter part of the financial year considerable resources were utilised in preparation for the introduction of Council Tax Support (the replacement of Council Tax Benefit) and the Technical Changes to Council Tax both of which came into force in April 2013. This included writing to all those directly involved and setting up a phone line for their enquiries.

3.2 Business Rate

The in-year collection performance for the financial year 2012/13 was 98.72%, compared to 98.81% for 2011/12. The combined in-year and arrears collection for 2012/13 was 97.61% compared to 95.4% the previous year. Whilst the in-year performance was disappointing, recent benchmarking data from other London Authorities show this problem was not isolated to Bromley. Bromley's in-year collection was the 7th best in London and 0.52% above the average of the Capital boroughs

3.3 Cashiers

The payment kiosk sited in the Civic Centre central reception continued to take high volume of payments. Several exercises were undertaken aimed at convincing callers to change to alternative methods of payment. However, with the increased number of households required to pay Council Tax as a result of the introduction of Council Tax Support (some of which are for relatively small amounts), it is envisaged that the demand for this facility will increase rather than fall in 2013/14.

3.4 Sundry Debtors

Sundry debts are measured on what remains outstanding each month. As at the 31 March 2013 there was 3,282 invoices outstanding, with an income figure totalling £6.242m. Of this, 37.92% (892 invoices) valued at £2.42m had been outstanding for less than 60 days. Of that outstanding for less than 60 days, £1.565m was less than 30 days old.

The in-year collection for 2012/13 was 88.74% against a contractual target of 87%. This level of collection equates to £33.43m of the the debt raised being collected in-year.

Appendix 3 shows the outstanding debt month by month for 2012/13. The total outstanding peaked in July 2012 when quarterly invoices were raised for Commercial Rents and CareLink services. Large invoices were also raised for schools and Bromley PCT.

Appendix 4 shows the number of invoices outstanding month by month for 2012/13. There was a spike in November 2012 when invoices were raised for CRB checks and Premises Licences. This reduced in December but increased again in January 2013 when Clinical waste and schools invoices were raised.

3.5 **Utility Debt**

BT has written a letter to LA's explaining that they have a back log and clearance plan. Standard update letter regarding the delay in processing being received on every invoice.

Appendix 5 shows a summary of Utility debt as at 31 March 2013

3.6 **Aged Debt as at 31 March 2013**

Fin Year				TOTAL
Pre 2010	2010/11	2011/12	2012/13	
£894k	£632k	£877k	£4.02m	£6.42m

In year reduction of previous years debt as at 31 March 2013

The below table shows the percentage by which former years debt reduced in the financial year 2012/13

Fin Year	Pre 2010	2010/11	2011/12
Outstanding as at 31/3/2013	£894k	£632k	£877k
% reduction in year	24.48%	26.58%	78.90%

Overall Recovery Position as at 31 March 2013

	Outstanding Balance as at 31 March 2013				
Fin Year debt raised	Pre 2010	10-11	11-12	12-13	Grand Total
Recovery being pursued	£13k	£22k	£311k	£2.844k	£3189k
In recovery, paid by instalments	£51k	£35k	£103k	£222K	£410k
Secured by charge on property	£34k	£68k	£40k	£65k	£206k
Appointee & Deputyship in place				£3k	£3k
Applying for Power of Attorney	£9k	£7k	£30k	£77k	£123k
Awaiting Executor details				<£1k	<£1k
Awaiting probate	£86k	£28k	£159k	£99k	£372k
Standing probate search in place		£3k	£6k	£5k	£14k
Vol contribution or sponsorship	£2k		£5k		£7k
Referred to LBB for instructions	£51k	£56k	£52k	£18k	£177k
Pre debt collector/court checks	£32k	£17k	£8k	£39k	£96k
With debt collector	£25k	£27k	£29k	£16k	£97k
Pre legal action review	£13k	£12k	£8k		£33k
County Court Claim	£106k	£80k	£14k	£8k	£208k
Judgement obtained - charging order	£111k	£19k			£130k
High Court enforcement	£26k				£26k
Legal action with LBB	£52k				£52k
Awaiting Cancellation		£136k		£61k	£197k
Recommended for write-off	£205k	£41k	£42k	£15k	£303k
Premises Licences - No reminders required				£12k	£12k
Admin penalty, cannot be recovered until HB and/or CTB	£50k	£9k	£39k	£27k	£124k
In dispute, with LBB service departments	£28k	£72k	£31k	£508k	£639k
Grand Total	£894k	£632k	£877k	£4019k	£6422k

3.7 Accounts Payable

The Accounts Payable function previously undertaken by Bromley was transferred to Liberata in stages between October 2012 and end of the financial year.

A summary showing payment of undisputed invoices within 30 days covering the whole year is shown below. This shows that during the year 96% of invoices were paid within 30 days and 92% within 20 days.

BV8 Summary

1 April 2012 to 31 March 2013

Manuals		Target:	98%	Invoices Over 30	Invoices Under 30	Total	%	Invoices Over 20	Invoices Under 20	Total	%
Adult and Community Services				47	565	612	92%	62	550	612	90%
Corporate Services				39	654	693	94%	58	635	693	92%
Children & Young People				107	3,159	3,266	97%	233	3,033	3,266	93%
Environment and Leisure				55	873	928	94%	74	854	928	92%
R&R (Inc. Libraries & LE/PP)				34	524	558	94%	53	505	558	91%
Payroll (R05 - R20)				13	1,033	1,046	99%	17	1,029	1,046	98%
Utilities				373	2,109	2,482	85%	614	1,868	2,482	75%
Confirm (Highways, IS, Property)				71	9,250	9,321	99%	142	9,179	9,321	98%
				739	18,167	18,906	96%	1,253	17,653	18,906	93%
I-Proc		Target:	98%								
Adult and Community Services				907	7,707	8,614	89%	1,507	7,107	8,614	83%
Corporate Services				78	2,661	2,739	97%	189	2,550	2,739	93%
Children & Young People				286	8,682	8,968	97%	568	8,400	8,968	94%
Environment and Leisure				122	2,941	3,063	96%	235	2,828	3,063	92%
R&R (Inc. Libraries & LE/PP)				90	3,379	3,469	97%	178	3,291	3,469	95%
				1,483	25,370	26,853	94%	2,677	24,176	26,853	90%
Carefirst		Target:	98%								
T01	Residential			219	10,047	10,266	98%	429	9,837	10,266	96%
T04	Children & Young People			29	3,278	3,307	99%	86	3,221	3,307	97%
T05	Domiciliary Care			15	718	733	98%	39	694	733	95%
				263	14,043	14,306	98%	554	13,752	14,306	96%
Adults		Target:	98%								
T02	Respite & Carers Budget			68	876	944	93%	115	829	944	88%
				68	876	944	93%	115	829	944	88%
TOTAL				2,553	58,456	61,009	96%	4,599	56,410	61,009	92%

For the period commencing 1 October 2012 (being the start of the transfer to Liberata) to 31 March 2013, 97% of invoices were paid within 30 days and 94% within 20 days.

The table below shows the percentage split in the methods of payments for suppliers. The percentage of suppliers paid by BACS had increased from 81% for 2011/12 to 85% for 2012/13.

BACS Payments Statistics

Year	Month	BACS Count	BACS %	Cheque Count	Cheque %
2012	Apr	2,632	82%	570	18%
2012	May	3,038	85%	535	15%
2012	Jun	2,391	82%	526	18%
2012	Jul	2,754	85%	485	15%
2012	Aug	2,652	86%	441	14%
2012	Sep	2,212	86%	350	14%
2012	Oct	2,838	86%	463	14%
2012	Nov	2,689	87%	413	13%
2012	Dec	2,303	84%	425	16%
2013	Jan	2,853	87%	430	13%
2013	Feb	2,266	86%	370	14%
2013	Mar	3,051	84%	602	16%
Total for 2012/13		31,679	85%	5,610	15%

3.8 INCOME TEAM

The Income team raised 16,704 sundry invoices with a value of £40.6m during the period 1 April 2012 until 31 March 2013. 1,270 with a value of £3.2m were subsequently cancelled.

Appendix 6 shows the value of invoices raised month by month for sundry debts in the financial year 2012 to 31 March 2013.

Appendix 7 shows the number of invoices raised month by month for sundry debts in the financial year 2012 to 31 March 2013.

3.9 TRADE WASTE

The outstanding debt on Trade Waste as at 31 March 2013 was £1.58m. This included £1.391m relating to charges for 2013/14.

Analysis of Trade Waste debt as at 31 March 2013

Analysis of Trade Balance	Incl 2013/2014 Invoices
Invoices under 30 days old, includes invoices for 2013/14 charges	£1391k
Invoices 31 - 365 days old	£9k
Invoices over 1 year old	£60k
Agreed Payment Arrangements - Direct Debits	£117k
Awaiting Write off	£1k
Invoices disputed with LBB	<£1k
	£1578k

3.10 Nightly Paid Accommodation Charges

The outstanding debt for Nightly Paid Accommodation charges as at 31 March 2013 was £1.268m for current and former occupiers.

£3.07m was collected from Housing Benefit awards and payments from the debtors.

The caseload increased significantly in this financial year resulting in an increase in outstanding debt of £545,929. The income from Housing Benefit increased by £1.04m and payments from debtors increased by £39k.

	Arrears as at 31/03/2012	Arrears as at 31/03/2013	Increase in year
Charges raised for current year and arrears b fwd	£2,059,114	£3,571,800	£1,512,686
Charges raised and arrears b fwd for previous years	£654,813	£770,400	£115,586
Payments received	-£98,515	-£137,455	-£38,939
Housing Benefit awards	-£1,892,428	-£2,935,833	-£1,043,404
	£722,983	£1,268,912	£545,929

3.11 Payroll

The number of employees paid on the March 2013 payroll was 5827.

The 31 March 2013 deadline for sending out approximately 7,000 auto-enrolment Staging Date assessment letter to Bromley Council was met.

3.12 Pensions

Membership numbers recorded on the pensions administration system as at 31 March 2013 were 5065 actives, 4457 deferred and 4731 pensioners.

4 FINANCIAL IMPLICATIONS

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)	