

PART 1 - PUBLIC

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**Decision Maker:** Executive & Resources PDS

**Date:** Wednesday 08 January 2014

**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

**Ward:** All

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1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the 6 months up to the 30<sup>th</sup> September 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

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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: £3.3m
  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 180,000 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 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**.
- 3.2 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.
- 3.3 From November 2013, the Revenues and Benefits Team commenced monitoring of the outsourced Customer Services function. From the same date, monitoring of the sundry debtors function transferred over to the Exchequer Services Team. These changes will be reflected in the next monitoring report.

#### **Council Tax**

- 3.4 As at the end of September 2013 the in-year Council Tax collection rate was 57.84%, being 0.7% lower than the comparative figure for 2012/13. This negative variance can be explained by the introduction of Council Tax Support, households being able to elect payment over 12 monthly instalments and removal of empty property discounts/exemptions. The current and arrears figure was 57.68%, being 0.83% lower than that achieved in 2012/13. The performance against this indicator is disappointing and Bromley are currently exploring with Liberata a course of action to turnaround this reversal.
- 3.5 The move from Council Tax Benefit (CTB) to Council Tax Support (CTS) was relatively seamless, with the level of enquiries and complaints being lower than expected.

#### **Business Rate**

- 3.6 The in-year collection performance for the six months ending the 30 September 2013 was 61.05%, this being a 0.16% positive variance on the same time last year. The in-year and arrears figure was 60.23%, a 0.53% positive variance on the same time last financial year.

Each year since 2007/08 the in-year collection rate has fallen as businesses have struggled through the economic downturn. Whilst businesses are still reporting that trading is difficult, we are hopeful that the first steps of recovery in collection rates might be emerging.

#### **Cashiers**

- 3.7 The payment kiosk sited in the Civic Centre central reception continued to take high volume of payments. Exercises to convince callers to change to alternative methods of payment have continued. 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 relatively small amounts), the demand for this facility has remained high.

#### **Sundry Debtors**

- 3.8 Sundry debts are measured on what remains outstanding each month. At the 30 September 2013, there were 3,486 invoices outstanding, with an income figure totalling £7.13m. Of the total amount outstanding, 40.76% (1,005 invoices) to the value of £2.90m had been outstanding for less than 60 days. Of the total amount outstanding for less than 60 days, £2.22m was less than 30 days old.

The collection rate for in-year debt as at 30 September 2013 was 73.82% with £10.9m collected. The collection rate at the same point last year was 76.82% which rose to 88.7% at the end of March 2013 exceeding the annual target of 87%.

**In-year reduction of previous years debt as at 30 September 2013**

<b>Fin Year</b>	<b>Pre 2011</b>	<b>2011/12</b>	<b>2012/13</b>
Outstanding as at 30/9/213	£1.28m	£621k	£1.18m
% reduction in 2013/14	16.32%	29.21%	70.55%

**Overall Recovery position of Debts raised in the financial years to 30 September 2013**

<b>Fin Year Original debt raised</b>	<b>Pre 2011</b>	<b>11-12</b>	<b>12-13</b>	<b>13-14</b>	<b>Grand Total</b>
Recovery being pursued	£17K	£102K	£387K	£2,960K	<b>£3,467K</b>
In recovery, paid by instalments	£66K	£49K	£73K	£261K	<b>£449K</b>
Secured by charge on property	£62K	£115K	£109K	£K	<b>£287K</b>
Appointee & Deputyship in place	£53K	£32K	£47K	£26K	<b>£159K</b>
Applying for Power of Attorney	£4K	£2K	£3K	£11K	<b>£21K</b>
Awaiting Executor details			£1K		<b>£1K</b>
Awaiting probate	£71K	£78K	£91K	£121K	<b>£360K</b>
Standing probate search in place	£25K	£8K	£14K	£1K	<b>£48K</b>
Vol contribution/sponsorship		£5K			<b>£5K</b>
Referred to LBB for instructions	£119K	£55K	£34K	£K	<b>£207K</b>
Pre debt collector/court checks	£42K	£23K	£56K	£16K	<b>£137K</b>
With debt collector	£2K	£K	£4K		<b>£6K</b>
Pre legal action review	£52K	£25K	£3K		<b>£79K</b>
County Court Claim	£205K	£35K	£59K	£7K	<b>£305K</b>
Judgement obtained - Bankruptcy	£45K				<b>£45K</b>
Judgement obtained - charging order	£129K				<b>£129K</b>
High Court enforcement	£26K				<b>£26K</b>
Awaiting Cancellation			£3K	£37K	<b>£40K</b>
Recommended for write-off	£259K	£49K	£47K	£3K	<b>£359K</b>
In dispute, with LBB service departments	£46K	£3K	£223K	£592K	<b>£865K</b>
Admin penalty, cannot be recovered until HB and/or CTB	£54K	£39K	£27K	£7K	<b>£126K</b>
Premises Licences - No reminders required			£3K	£4K	<b>£7K</b>
<b>Grand Total</b>	<b>£1,277K</b>	<b>£621K</b>	<b>£1,184K</b>	<b>£4,047K</b>	<b>£7,129K</b>

**Appendix 3** shows the comparison between the level of outstanding debt for the first 6 months of 2012/13 and 2013/14.

**Appendix 4** shows the comparison between the number of invoices outstanding for each of the first 6 months 2012/13 and 2013/14.

**Aged Debt as at 30 September 2013**

Fin Year				Total
Pre 2011	2011/12	2012/13	2013/14	
£1.28m	£621k	£1.18m	£4.05m	£7.13m

**Appendix 5** shows a summary of Utility debt as at 30 September 2013

**Income**

3.9 The Income Team raised 9,114 sundry invoices with a value of £16.46m from 1 April 2013 to 30 September 2013. Of these, 728 invoices with a value of £1.73m, were subsequently cancelled.

**Appendix 6** shows the value of invoices raised month by month for the period from 1 April to 30 September 2013 compared to the same period last year.

**Appendix 7** shows the number of invoices raised month by month for the period from 1 April to 30 September 2013 compared to the same period last year.

**Trade Waste**

3.10 The outstanding debt on Trade Waste as at 30 September 2013 was £625k.

<b>Analysis of Trade Balance</b>	
Under 30 days old	£12k
Invoices 31 to 365 days old	£163k
Invoices over 1 year old	£60k
Agreed Payment Arrangements - Direct Debits	£385k
Awaiting cancellation	£4k
Awaiting Write off	1k
<b>Total</b>	<b>£625k</b>

### **Nightly Paid Accommodation Charges**

3.11 The outstanding debt for Nightly Paid Accommodation charges as at 30 September 2013 was £1.42m for current and former occupiers.

	<b>Arrears as at 30 September 2013</b>
Charges raised for current year and arrears b fwd	£2,145,649.20
Charges raised and arrears b fwd for previous years	£1,257,588.63
Payments received from debtors	-£115,685.83
Housing Benefit awards	-£1,866,867.23
	<b>£1,420,684.77</b>

£1.87m was collected from Housing Benefit awards from 1 April to 30 September 2013 which is an increase of £418k on the same period last year.

£101k was collected in payments from the debtors in the period from 1 April to 30 September 2013 which is an increase of £59k on the same period last year.

Due to the increase in the caseload during the last financial year the resources focused on this area have increased. The expectation is that the payments from debtors should increase by £65k during this financial year. Based on the results for the half year this will be exceeded.

## Accounts Payable

- 3.12 A BV8 summary covering the period from 1 April 2013 to 30 September 2013 is shown below. This shows that during the first 6 months of 2013/14 the percentage of invoices that were paid within 30 days increased from 96% in 2012/13 to 97%. The percentage paid within 20 days has also increased from 92% in 2012/13 to 94%.

### BV8 Summary

1 April 2013 to 30 September 2013

Manuals	Target:	98%	Invoices Over 30	Invoices Under 30	Total	%	Invoices Over 20	Invoices Under 20	Total	%
<b>Adult and Community Services</b>			21	198	219	90%	51	168	219	77%
<b>Corporate Services</b>			24	179	203	88%	46	157	203	77%
<b>Children &amp; Young People</b>			18	184	202	91%	41	161	202	80%
<b>Environment and Leisure</b>			8	104	112	93%	20	92	112	82%
<b>R&amp;R (Inc. Libraries &amp; LE/PP)</b>			7	84	91	92%	9	82	91	90%
<b>Payroll (R05 - R20)</b>			6	436	442	99%	10	432	442	98%
<b>Utilities</b>			17	859	876	98%	60	816	876	93%
<b>Confirm (Highways, IS, Property)</b>			141	6,165	6,306	98%	228	6,078	6,306	96%
			<b>242</b>	<b>8,209</b>	<b>8,451</b>	<b>97%</b>	<b>465</b>	<b>7,986</b>	<b>8,451</b>	<b>94%</b>
<b>I-Proc Target: 98%</b>										
<b>Adult and Community Services</b>			145	4,910	5,055	97%	267	4,788	5,055	95%
<b>Corporate Services</b>			56	1,246	1,302	96%	84	1,218	1,302	94%
<b>Children &amp; Young People</b>			128	3,351	3,479	96%	222	3,257	3,479	94%
<b>Environment and Leisure</b>			66	1,492	1,558	96%	122	1,436	1,558	92%
<b>R&amp;R (Inc. Libraries &amp; LE/PP)</b>			54	1,602	1,656	97%	99	1,557	1,656	94%
			<b>449</b>	<b>12,601</b>	<b>13,050</b>	<b>97%</b>	<b>794</b>	<b>12,256</b>	<b>13,050</b>	<b>94%</b>
<b>Carefirst Target: 98%</b>										
<b>T01</b>	Residential		219	7563	7782	97%	455	7,327	7,782	94%
<b>T04</b>	Children & Young People		33	3023	3056	99%	80	2,976	3,056	97%
			<b>252</b>	<b>10,586</b>	<b>10,838</b>	<b>98%</b>	<b>535</b>	<b>10,303</b>	<b>10,838</b>	<b>95%</b>
<b>Adults Target: 98%</b>										
<b>T02</b>	Respite & Carers Budget		34	854	888	96%	68	820	888	92%
			<b>34</b>	<b>854</b>	<b>888</b>	<b>96%</b>	<b>68</b>	<b>820</b>	<b>888</b>	<b>92%</b>
<b>TOTAL</b>			<b>977</b>	<b>32,250</b>	<b>33,227</b>	<b>97%</b>	<b>1,862</b>	<b>31,365</b>	<b>33,227</b>	<b>94%</b>

The table below shows the percentage split in the method of payments for suppliers. The percentage of suppliers paid by BACS has increased from 85% for 2012/13 to 86% for the first 6 months of 2013/14.

**BACS Payment Statistics**

Year	Month	BACS Count	BACS %	Cheque Count	Cheque %
2013	Apr	2,664	85%	454	15%
2013	May	2,946	88%	411	12%
2013	Jun	2,507	84%	463	16%
2013	Jul	3,224	88%	460	12%
2013	Aug	2,446	85%	418	15%
2013	Sep	2,661	88%	362	12%
<b>Total for 2013/14</b>		16,448	86%	2,568	14%

**Payroll**

- 3.13 The average number of employees paid each month during the six month period to 30 September 2013 was 5791.
- 3.14 The HMRC Real Time Information programme went live successfully on 1 May 2013. This means that all relevant information required by HMRC is now sent electronically on a monthly basis instead of manually.

**Pensions**

- 3.15 Membership numbers recorded on the pensions administration system as at 30 September 2013 were 5035 actives, 4670 deferreds and 4817 pensioners.

**4. FINANCIAL IMPLICATIONS**

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

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