

John Nightingale  
Head of Revenues and Benefits  
London Borough of Bromley  
Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

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Our Ref: AIF/GT

Dear John

As we approach the July 2014 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 year 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014.

### **Council Tax**

The in-year collection for the year to 31<sup>st</sup> March 2014 was 97.50% which was 0.26% behind that of our total for the previous year. Based on the Local Revenues Group performance table this places us in joint 6<sup>th</sup> position out of the 33 London authorities. Our arrears collection was 97.52% which was 0.07% ahead of our previous year's total.

Our in-year performance has been affected by a number of factors. There has been an increase in the collectable debt due to the replacement of Council Tax Benefit (CTB) with Council Tax Support (CTS). Also legislation changed from April 2013 to allow residents to pay over 12 months whereas previously it was 10. There are now 12,797 (£3.3m) accounts taking advantage of the payment option. The increased use of this provision results in debts defaulting not being collected within the financial year. This represented 0.39% of the total collectable debt. In addition, there has been the removal of exemptions for vacant properties which has served to increase the total of the collectable debt. We will continue to actively pursue any monies not recovered in year which will ultimately provide a higher collection rate.

A continuous review of the outstanding debts resulted in an increase in the number of attachments of benefits and earnings being applied this year compared to last year. In addition, the number of cases referred to bailiffs increased by approximately 39% compared to the previous year. In recognition of the increasing volume of low value debt which is below the summons threshold, we instigated the periodic issuing of 'pay-up' letters from a firm of solicitors to tax payers to encourage them to clear these small outstanding balances.

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 to pay.

### **Business Rates**

Most 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 during the previous period, along with the economic climate. Bromley's collection rate for in-year debt for the year was 98.70% which was only 0.02% down against the previous year. This placed the Borough in 9<sup>th</sup> place in the Local Revenues Group performance table. However, if we included credits within our collection, as some of the other authorities do, then our collection rate would have been 99.45%. The arrears collection figure of 97.98% was ahead of last year by 0.37%.

The team have continued with its targeted collection activities, focusing 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

## **Orpington Business Improvement District (BIDs)**

Our collection target for the year had been 90%. Our actual collection was 96.28%, which was 6.28% above our target. This was achieved through the use of reminders and manual intervention only as the BID Board had decided that they would not be issuing any summonses this year.

### **Cashiers**

During the year £36.15m was collected which covered 71,382 transactions, this includes amounts taken via the Kiosk, post, central income and all parking revenue.

Liberata continue to encourage customers to make payments by Direct Debit.

### **Pensions and Payroll**

The new Localised pay scheme was implemented from April 2013, alongside NJC pay scales for staff who had not, at that time, decided to change to the new arrangements.

Some 60 NHS staff transferred to the Council under TUPE on 1 April 2013 on their NHS terms and conditions and with NHS pension arrangements. Some 30 Customer Services staff were transferred from the Council to Liberata in October 2013.

A new salary sacrifice scheme for car parking was implemented in October 2013 although the take-up was small.

Payroll calculated the HMRC liability for Reward Vouchers of £500 awarded to certain staff, and set up a PAYE settlement agreement with HMRC for payment of tax and Class 1B National Insurance in March 2014.

During the year 13 schools converted to academy status. In each case, payroll provided information to enable the staff to transfer to the academy. The school was registered with HMRC as an employer in its own right, liable for tax and NI payments; new banking arrangements for the school were noted on the payroll system. On a monthly basis, payroll organises payments to third parties, separate reconciliations and RTI transfers for each Academy. Pensions arranged an actuarial valuation of the pension's liability for each converting school. Pensions provide a handbook for each new academy to inform it of its responsibilities and discretionary powers as an employer; it also calculates the annual FRS17 statements.

Payroll and pensions both worked to ensure a successful implementation of the new LGPS changes which came into effect in April 2014. This involved the greatest changes since the scheme's inception. A communication plan was agreed and rolled out. This involved pension staff training both HR and Payroll staff and Employers, informing staff about the LGPS changes and pointing them to the web-site. New processes and forms were drawn up and agreed and the system was tested. The Employer discretions were discussed with the Council and implemented.

At the same time Pensions staff were organising the migration of data from AXISE to Altair. This involved data cleansing, writing new processes and forms and system testing. The data was transferred successfully on 28 February 2014.

During this busy period the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%; the Pension Team achieved an average of 97.3% service level compliance.

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

Yours sincerely

**Amanda Inwood-Field**  
**Contract Director**