

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

Date: 3 December 2015

Our Ref: AIF/RJ

Dear John

As we approach the January 2016 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 6 months from 1st April 2015 to 30th September 2015.

Council Tax

As always we have continued to review our processes and procedure during this period to improve our service to Bromley residents and to ensure our recovery potential is maximised. The in-year collection for the 6 months to 30th September 2015 was 58.33% which showed a favourable variance of 0.46% compared to the previous year. Similarly our collection rate for all years was also 58.33% which again showed a favourable variance, this time of 0.45% when compared to the previous year. Based on the Local Revenues Group performance table our in year collection rate placed us 5th out of the 21 London authorities who had submitted their results.

There has been an increase in the collectable debt compared to the previous year due to the increase in Council Tax together with working-age Council Tax Support claimants still being required to contribute a minimum of 19% of the households' Council Tax liability.

We are continuing with our collection and recovery initiatives which include reviewing the top 100 debtors, proactively chasing older debts, issuing 'pay up' letters on account balances which are below the summons threshold, reviewing cases with an attachment pending for both benefit and earnings, progressing cases held at Liability Order stage and monitoring cases sent to the enforcement agents. In addition we introduced SMS texting as an additional reminder to prompt tax payers to pay before the issuing of the final reminder when they lose the right to pay by instalments. This, together with a continuation of our normal recovery work, has resulted in 35,372 reminders being issued and 13,146 finals. The combination of these initiatives has led to a direct benefit to customers as we have seen a reduction in the number of court summons (3%) and liability orders (6%) issued compared to last year. The

number of tax payers using direct debit has also increased from 65.82% in September 2014 to 66.94% in September 2015.

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

Business Rates

The in-year collection rate for Business Rates up to 30th September 2015 was 57.73% which was 0.08% down on the previous year. The All Year collection rate up to 30th September 2015 was 56.55% which also showed an adverse variance of 0.11% on the previous year.

For the 2nd year now, Local Authorities in London experienced a change in the collection profile of their Business Rates. The main reason for this has been the change in legislation which means that, with effect from 1st April 2014, ratepayers have been able to pay their rates over 12 months rather the 10 months as in previous years. Consequently, Local Authorities now receive a greater portion of their Business Rates in the last two months of the year than had happened previously. For the London Borough of Bromley this has meant an 8.5% increase in the number of business now paying over 12 months compared to last year.

Debt chasing continues to play a very important part, ensuring we are maximising the recovery of outstanding revenue. The team have continued with its targeted collection activities, focusing on checking the Top 100 live and closed debts each month. This is part of the standard recovery work for any defaulters, progressing with static debts at Liability Order stage, monitoring of enforcement agents cases and following up on failed payment arrangements.

We have again this year focused on utilising Retail Relief where possible and have just finished a further campaign focusing on businesses which have yet to apply. This came into effect from 1st April 2014 and became available for certain categories of shops, restaurants, cafes and drinking establishments which had a rateable value of £50,000 or less. The relief entitled them to a reduction in their rates of up to £1,500 for 15/16. Those establishments that we identified as potentially meeting the criteria for this relief were issued with an application form together with information on the application process. The scheme has been very successful, with over £1.4million being awarded this financial year. The active promotion of this and the Small Business Rate Relief has helped reduce the number of reminders, final notices, summonses and liability orders issued compared to last year.

Orpington Business Improvement District (BIDs)

Our collection rate as at the end of September 2015 was 77.00%, an increase of 2.68% on last year. This has been achieved through continued focus on the in-year debtors for default payments and also reviewing the prior years' outstanding debts.

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Cashiers

For the 6 months to 30th September 2015, £17.4m was collected which covered 29,788 transactions and included amounts taken via the Kiosk, post, central income and all parking revenue.

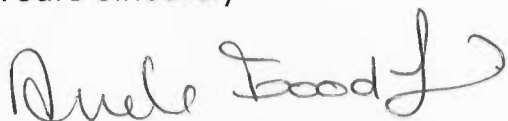
Pensions and Payroll

During the 6 month period 1st April 2015 to 30th September 2015 the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%; the Pension Team achieved an average of 96.4% service level compliance.

During April 2015 the new Teacher's Pension Scheme was successfully implemented together with the changes to the NHS Pension Scheme.

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', written in a cursive style.

Amanda Inwood-Field
Contract Director

The key elements of the Revenues Service includes (2015/16 figures):

- £ 175 million – Annual amount of Council Tax raised
- £ 91 million – Annual amount of Business Rates raised
- £ 13.8 million – Annual payment of Council Tax Support
- £ 127.5 million - Annual payment of Housing Benefit
- £ 44.5 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period April to September 2015
- £ 13.0 million – Payment of pensions for the period April to September 2015
- £ 17.5 million Year to date revenue on 29,788 transactions, this includes Kiosk (1,800 Loomis cash collections during the period April 2015 to September 2015)

Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 01/04/15 to 30/09/15
BV9:CTAX Collected	97.1%	97.0%	97.0%	97.1%	97.03%	97.28%	97.59%	97.65%	97.76%	97.50%	97.70%	58.33%

Appendix 2

Actual 30th September 2015 – 58.33%

The amount of collectable debt raised for the year 2015/16 was **£175m** (net of Benefits) in respect of **137,835** properties.

1,315 Cheque refunds and **2,388** BACs refunds totalling **£1,043,936.03** have been issued from 1st April 2015 to 30th September 2015.

The following Council Tax recovery notices were issued:

	2006/7	2007/8	2008/09	2009/10	2010/11	31/03/12	31/03/13	31/03/14	31/03/15	1/4/15 to 30/9/15
Reminders	53,371	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	35,372
Summonses	13,757	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	6,384
Liability Orders	10,135	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	4,601
14 day letters – Enforcement Agent warning	11,332	11,276	10,761	13,127	11,823	11,757	12,518	15,816	10,103	5,895
Accounts passed to Enforcement Agent	5,864	6,896	6,882	9,724	9,538	All at 14 day stage	All at 14 day stage	All at 14 day stage	All at 14 day stage	All at 14 day stage

NB: The first 14 day letters were issued directly to the bailiffs from **11 July 2011**.

The 2014/15 debt carried forward at the 1st April 2015 was £4,586,436.66

Council Tax - Summoned Debt	
Summonses / costs	809,385.40
Arrangement	232,955.76
Bailiff /14 DAY	1,842,827.70
Attachment	118,347.22
Bankruptcy	46,464.74
Liability	583,797.75
Un-summensed Debt	
Finals	288,027.75
Un-summensed	664,630.34
Total	4,586,436.66

The breakdown analysis of the total 2014/15 debt outstanding at the 1st April 2015 of £4,586,436.66 is shown above.

The balance of the total 2014/15 debt outstanding as at the 30th September 2015 is £3,277,653.35 a reduction of £1,308,783.31

Council Tax Arrears Breakdown as at 30th September 2015

	Arrears B/F 31.03.2015	Arrears carried forward at 30.09.2015	Net reduction	Actual % collection
1993	306.42	323.14	-16.72	
1994	447.58	386.38	61.2	
1995	1,439.33	599.45	839.88	
1996	2,731.69	1,938.89	792.8	
1997	4,826.14	4,001.38	824.76	
1998	12,517.66	9,432.54	3,085.12	
1999	19,381.27	16,208.09	3,173.18	
2000	37,607.52	31,032.76	6,574.76	
2001	66,185.00	56,898.92	9,286.08	
2002	103,114.09	91,081.04	12,033.05	
2003	149,883.88	133,016.80	16,867.08	
2004	195,376.86	172,783.29	22,593.57	
2005	275,054.61	239,171.58	35,883.03	
2006	379,161.83	336,707.52	42,454.31	
2007	497,129.26	439,075.97	58,053.29	
	1,745,163.14	1,532,657.75	212,505.39	12.18
2008	641,395.43	569,817.86	71,577.57	11.16
2009	732,180.99	661,376.00	70,804.99	9.67
2010	899,052.82	813,127.29	85,925.53	9.56
2011	1,214,004.12	1,095,155.52	118,848.60	9.79
2012	1,652,849.39	1,481,470.43	171,378.96	10.37
2013	2,629,316.57	2,263,066.81	366,249.76	13.93
2014	4,586,436.66	3,277,653.35	1,308,783.31	28.54
	12,355,235.98	10,161,667.26	2,193,568.72	

Business Rates Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	1/4/15 to 30/9/15
BV10: Rates Collected	98.7%	99.6%	99.5%	99.8%	99.1%	99.02%	98.9%	98.81%	98.72%	98.70%	98.80%	57.73%

Actual 30th September 2015 – 57.73%

The amount of collectable debt raised for the year 2015/16 is **£91 million** in respect of **7,364** properties.

There have been **509** refunds actioned from the 1st April 2015 to the 30th September 2015 amounting to **£1,908,673.06** 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	2011/12	2012/13	2013/14	2014/15	01/04/15 to 30/09/15
Reminders Issued	4,352	3,486	4,972	4,559	3,609	3,977	3,404	2,536	4,023	3,545	4,445	2,952
Final Notices Issued	359	239	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,007
Summonses Issued	1,024	1,137	980	894	704	903	725	1,156	987	1,091	1,053	353
Liability Orders	706	775	675	602	426	666	672	749	683	771	734	203
7 day letters issued	423	1,021	1,421	605	299	674	367	471	501	No longer used	No longer used	No longer used
Accts passed to Enforce. Agent	200	322	542	331	130	316	430	537	645	650	444	63

The 2014/15 debt carried forward at 1st April 2015 was **£1,016,451.63**

NDR recovery stage	amount
Un-summonsed	£49,321.81
Arrangement	£44,754.95
Enforcement Agent	£83,721.13
Final	£106,645.67
Liability	£572,872.33
Reminders	£107,006.70
Summonsed	£52,129.04
total	£1,016,451.63

Movement in arrears for reporting period –

Arrears total 1990 - 2014/15 as at 01/04/15 **£1,658,312.19**

Arrears total 1990 - 2014/15 as at 30/09/15 **£1,035,390.40**

Reduction Overall arrears £ 622,921.79

Business Rates Arrears breakdown as at 30th September 2015

	Arrears B/F 31.03.2015	Arrears carried forward	Net reduction	Actual % collection
2008	6,250.00	5,822.64	427.36	6.84%
2009	21,980.08	23,584.15	-1,604.07	-7.30%
2010	19,850.84	13,656.61	6,194.23	31.20%
2011	48,257.88	22,329.96	25,927.92	53.73%
2012	217,045.18	164,824.13	52,221.05	24.06%
2013	328,476.58	215,108.55	113,368.03	34.51%
2014	1,016,451.63	590,064.36	426,387.27	41.95%
	1,658,312.19	1,035,390.40	622,921.79	

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2015 to 30th September 2015

Civic Centre Total	Transactions including Kiosk
£17,484,486.41	29,788

Payroll Data:

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

	Monthly	Annually
Non Teaching/Teaching	3,825	45,900
Pensions	4,972	59,664

