

John Nightingale
Head of Revenues and Benefits
London Borough of Bromley
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Stockwell Close
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Date: 22 June 2016

Our Ref: AIF/RJ

Dear John

As we approach the July 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 12 months from 1st April 2015 to 31st March 2016.

Council Tax

The in-year collection for the 12 months to 31st March 2016 was 97.79% which showed an increase of 0.09% compared to the previous year. This improved collection placed us 6th in the London Revenue Group performance table, which was one place higher than the previous year. Our collection rate for all years was affected by the increasing volume of static debt, that is debt which is below the minimum amount for a summons to be issued. As such our collection rate of 97.50% was down by 0.08% compared to the previous year.

In recognition of the need to reduce the amount of static debt, we undertook a trial project during the year. We reviewed our records to identify 100 cases where all previous recovery action had failed. These cases were passed to a firm of solicitors who wrote to inform the debtor that payment was required to prevent committal action from being taken. This resulted in a number of payments being received and as a result the project has been extended into the 2016/17 year.

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 benefits and earnings, progressing cases held at Liability Order stage and monitoring cases sent to the enforcement agents. In addition we are also continuing to use 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 52,125 reminders being issued and 24,171 finals. The combination of these initiatives has resulted in a direct benefit to taxpayers as we have seen a reduction in the number of court summons (27%) issued compared to last year.

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.

In line with the Councils Channel Shift programme we sought to increase the number of residents signing up to the My Bromley Portal. We did this by making certain activities only accessible via the Portal rather than by calling the Contact Centre. The activities affected included the completion of a Single Persons Discount application form, completion of a Moving Home form and viewing the balance on the current years Council Tax account. The impact of these changes was to help increase the number of new active accounts on the

Portal by 3,550 (22%). As a result we plan to make additional activities accessible solely via the Portal during 2016/17 to further drive up Portal usage.

Business Rates

The in-year collection rate for Business Rates for the year to 31st March 2016 was 99.05%, which was an improvement of 0.25% on the previous year. The rounding of our result to 99.1%, in line with Government submissions, meant that we were placed joint 8th in the London Revenue Group performance table. If we compared on a like-for-like basis the authority would be placed higher in the table. The All Year collection rate for the same period was 97.09% which 0.02% down on the previous year.

The number of ratepayers making payments over 12 months has continued to increase. This has placed greater importance on the need to accurately predict the final month's receipts. As well as identifying and contacting defaulters as early as possible, in the lead up to the final two months of the year, we also contact some of the larger payers to ensure that their remaining payments are received on time.

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. Defaulters, failed arrangements and cases with our Enforcement Agents are regularly scrutinised to ensure that debts do not remain static.

We also identified and canvassed businesses that were considered eligible for relief schemes, this proactive approach helped to reduce the net collectable debt. Ratepayers contacting the department by telephone or correspondence were encouraged to submit applications for relief where applicable. We have again this year sought to utilise Retail Relief where possible and ran a campaign focusing on businesses which had yet to apply. The relief entitled them to a reduction in their rates of up to £1,500 for 2015/16. 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 was very successful, with over £1.7million being awarded this financial year. The active promotion of this and the Small Business Rate Relief has helped reduce the number of final notices, summonses and liability orders issued compared to last year.

Orpington Business Improvement District (BIDs)

Our collection rate as at the end of March 2016 was 98.48% which was an increase of 1.70% against the previous year. This has been achieved through continued focus on the in-year debtors for default payments and also reviewing the prior years' outstanding debts.

Cashiers

For the 12 months to 31st March 2016, £29.08m was collected which covered 57,115 transactions and included amounts taken via the Kiosk, post, central income and all parking revenue.

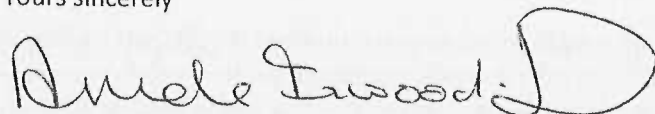
Pensions and Payroll

During the 12 month period to 31st March 2016 the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%; the Pension Team achieved an average of 97.2% 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



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
- £ 13.9 million – Annual payment of Council Tax Support
- £ 127.5 million - Annual payment of Housing Benefit
- £ 83.0 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period April to March 2016
- £ 26.0 million – Payment of pensions for the period April to March 2016
- £ 29.08 million Year to date revenue on 57,115 transactions, this includes Kiosk
- (1,800 Loomis cash collections during the period April 2015 to March 2016)

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 15/16
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%	97.79%

Actual 31st March 2016 – 97.79%

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

2,954 Cheque refunds and **6,124** BACs refunds totalling **£2,355,635.52** have been issued from 1st April 2015 to 31st March 2016.

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	31/3/16
Reminders	53,371	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125
Summonses	13,757	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543
Liability Orders	10,135	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337
14 day letters – Enforcement Agent warning	11,332	11,276	10,761	13,127	11,823	11,757	12,518	15,816	10,103	12,214
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-summoned Debt	
Finals	£288,027.75
Un-summoned	£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 31st March 2016 is £2,638,490.88 a reduction of £1,947,945.78

Council Tax Arrears Breakdown as at 31st March 2016

	Arrears B/F 31.03.2015	Arrears carried forward at 31.03.2016	Net reduction	Actual % collection
1993	306.42	209.79	96.63	
1994	447.58	196.38	251.20	
1995	1,439.33	160.93	1,278.40	
1996	2,731.69	1,169.72	1,561.97	
1997	4,826.14	2,515.44	2,310.70	
1998	12,517.66	6,520.73	5,996.93	
1999	19,381.27	13,651.12	5,730.15	
2000	37,607.52	23,651.23	13,956.29	
2001	66,185.00	44,141.19	22,043.81	
2002	103,114.09	69,689.22	33,424.87	
2003	149,883.88	107,204.25	42,679.63	
2004	195,376.86	142,983.80	52,393.06	
2005	275,054.61	193,953.15	81,101.46	
2006	379,161.83	279,312.86	99,848.97	
2007	497,129.26	353,204.84	143,924.42	
	1,745,163.14	1,238,564.65	506,598.49	29.03
2008	641,395.43	445,474.78	195,920.65	30.55
2009	732,180.99	508,826.89	223,354.10	30.51
2010	899,052.82	641,250.31	257,802.51	28.67
2011	1,214,004.12	919,521.49	294,482.63	24.26
2012	1,652,849.39	1,263,642.68	389,206.71	23.55
2013	2,629,316.57	1,861,020.04	768,296.53	29.22
2014	4,586,436.66	2,638,490.88	1,947,945.78	42.47
	12,355,235.98	9,516,791.72	4,583,607.40	

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	Actual 15/16
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%	99.05%

Actual 31st March 2016 – 99.05%

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

There have been **1,109** refunds actioned from the 1st April 2015 to the 31st March 2016 amounting to **£3,422,177.21** 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	2015/16
Reminders Issued	4,352	3,486	4,972	4,559	3,609	3,977	3404	2,536	4,023	3,545	4,445	4,263
Final Notices Issued	359	239	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560
Summonses Issued	1,024	1,137	980	894	704	903	725	1,156	987	1,091	1,053	535
Liability Orders	706	775	675	602	426	666	672	749	683	771	734	411
7 day letters issued	423	1,021	1,421	605	299	674	367	471	501	No longer used	No longer used	No longer used
Accounts passed to Enforcement Agent	200	322	542	331	130	316	430	537	645	650	444	283

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

NNDR 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 **£1,658,308.47**

Arrears total 1990 - 2014/15 as at 31/3/16 **£ 831,547.83**

Reduction Overall arrears £ 826,760.64

Business Rates Arrears breakdown as at 31st March 2016

	Arrears B/F 31.03.2015	Arrears carried forward	Net reduction	Actual % collection
2005	-	2,032.39	-2,032.39	0.00%
2006	-	270.62	-270.62	0.00%
2007	-	277.50	-277.50	0.00%
2008	6,250.00	5,822.64	427.36	6.84%
2009	21,980.08	18,814.02	3,166.06	14.40%
2010	19,847.12	26,932.65	-7,085.53	-35.70%
2011	48,257.88	33,662.27	14,595.61	30.25%
2012	217,045.18	143,541.97	73,503.21	33.87%
2013	328,476.58	163,577.79	164,898.79	50.20%
2014	1,016,451.63	436,615.98	579,835.65	57.05%
	1,658,308.47	831,547.83	826,760.64	

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2015 to 31st March 2016

Civic Centre Total	Transactions including Kiosk
£29,088,158.18	57,115

Payroll Data:

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

	Monthly	Annually
Non Teaching/Teaching	4,007	48,084
Pensions	4,967	59,604

