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Our Ref: AIF/RJ

Dear John

As we approach the January 2017 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 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016.

### **Council Tax**

The in-year collection for the 6 months to 30<sup>th</sup> September 2016 was 58.02% which showed a decrease of 0.31% compared to the previous year. Our performance has been affected by the fact that working-age Council Tax Support claimants are now required to pay a higher contribution of the household's Council Tax liability, which increased this year from 19% to 25%. In addition there was a 1.67% overall increase in Council Tax for 2016-17 whilst the number of residential properties has increased during the year by 652. All of these factors have resulted in an increase in the amount of collectable debt for the current year.

Our all-years collection as at 30<sup>th</sup> September 2016 was 58.18%, which was down by 0.15% on the previous year. Collection on out of year debt has been affected by the increase in the amount of static debt that we now hold. This relates to debt that is below the level at which we issue a summons. In addition we have nearly 600 cases where, despite having a Liability Order in place, we are unable to take further recovery action due to the account holder lacking any realisable assets or the value of the debt being below the threshold needed to apply for Bankruptcy or a Charging Order.

We also have a number of cases where a Charging Order has been secured on a property and we are waiting on instruction to enforce the order for sale as the debts remain unpaid and all other recovery remedies have failed.

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.

We are continuing with the drop-in summons surgeries each month. This provides taxpayers with the opportunity to meet with staff to discuss their Council Tax issues and make arrangements to pay.

In order to help promote the Councils Channel Shift programme we have continued to encourage residents to use online options via either the My Bromley Portal or the Councils website. This has been enabled by ensuring that a number of activities such as requesting a copy bill, making a banding enquiry, applying for a discount or exemption and requesting a refund, can now only be actioned online. These changes helped to increase the number of active accounts on the Portal to over 26,000, an increase of 156% from the previous September.

## **Business Rates**

The in-year collection rate for business rates up to 30<sup>th</sup> September 2016 was 56.27%, which is 1.46% less than the same time last year. Our year to date collection has been affected by two key factors. Firstly there was the removal of the Retail Relief scheme which had previously resulted in a reduction of £1.5m in the Net Collectable Debt in 2015-16. Secondly this year has seen an increase in the number of businesses paying their rates over 12 monthly instalments rather than 10. As a result our monthly direct debit collection has reduced by £136k which equates to £814k for the 6 months to September 2016. This position will only improve during the last two months of the year when the deferred receipts will be received. If Retail Relief was still in existence, and those ratepayers who previously paid over 10 months in 2015/16 had continued to do so, then the shortfall on our collection would have reduced to 0.43%.

The all-years collection rate at 30<sup>th</sup> September 2016 was 55.27% which showed a decrease of 1.33% compared to last year. There is a correlation between the performance of all year and current year collection and so the same factors have had an adverse impact on both.

In order to help counter the above factors we held a stand at the Biggin Hill Business Expo in September where we offered general advice on business rates which included information for new businesses on when and how to pay their rates and advice for small businesses on applying for reliefs.

We conducted a mailshot during November to target those businesses paying over 12 monthly instalments in order to promote the benefits of paying by Direct Debit. An increase in the percentage of accounts using this method provides greater accuracy for our forecasts due to the increased certainty over payments.

## **Orpington Business Improvement District**

Our collection rate as at the end of September 2016 was 73.62%, which is a decrease of 3.38% against the previous year.

## **Bromley Business Improvement District**

This is the first year that the Business Improvement District scheme has been introduced for Bromley. The levy is based on the liable occupation on the 1<sup>st</sup> April of each year. As at 30<sup>th</sup> September 2016, we had achieved a collection rate of 97.46%.

## **Cashiers**

For the 6 months to 30<sup>th</sup> September 2016, £13.37m was collected which covered 28,139 transactions and included amounts taken via the Kiosk, post, central income and all parking revenue.

## **Pensions and Payroll**

During the 12 month period to 30<sup>th</sup> September 2016 the Payroll Team continued to provide a valued service with an average accuracy rate of 99.88%; the Pension Team achieved an average of 98.65% service level compliance.

During September 2016 data for the Local Government Pension Scheme Triennial Valuation was submitted to the Actuary in-line with the agreed timetable.

## **Other Developments**

We are continuing to make good progress with the implementation of the Capita Advantage Digital modules. These will allow residents to have enhanced access to information on their Council Tax accounts via the My Bromley Portal. In addition it will enable 'self-service' so that they are able to set up direct debits, make payment arrangements, advise of changes in address, apply for discounts and exemptions, request copy bills and receive correspondence electronically. The benefits for the users will be that they will be able to access this information or make changes to their accounts at any time of day on any day of the week. The changes will also be processed faster than at present as there will no longer be the need to have the information manually rekeyed by our back office teams.

The modules are due to be delivered in December with testing commencing in January 2017 and a go live date of February 2017.

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 (2016/17 figures):

- £ 193 million – Annual amount of Council Tax raised
- £ 91 million – Annual amount of Business Rates raised
- £ 12 million – Annual payment of Council Tax Support
- £ 127.5 million - Annual payment of Housing Benefit
- £ 36.6 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period April to September 2016
- £ 13.4 million – Payment of pensions for the period April to September 2016
- £ 13.37 million Year to date revenue on 28,139 transactions, this includes Kiosk (957 Loomis cash collections during the period April 2016 to September 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	Actual 01/04/16 to 30/09/16
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%	58.02%

Appendix 2

**Actual 30<sup>th</sup> September 2016 – 58.02%%**

The amount of collectable debt raised for the year 2016/17 was **£193m** in respect of **137,835** properties.

**1,074 Cheque** refunds and **2,423 BACs** refunds totalling **£805,586.18** have been issued from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 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	01/04/16 to 30/09/16
Reminders	53,371	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125	36,404
Summonses	13,757	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543	8,330
Liability Orders	10,135	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337	6,077
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	4,667
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	All at 14 day stage

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

The 2015/16 debt carried forward at the 1<sup>st</sup> April 2016 was £4,478,874.91

Council Tax - Summoned Debt	
Summonses / costs	£479,752.12
Arrangement	£287,466.55
Bailiff /14 DAY	£1,890,329.00
Attachment	£41,769.80
Bankruptcy	£39,356.93
Liability	£318,864.58
<b>Un-summused Debt</b>	
Finals	£791,431.86
Un-summused	£629,904.07
<b>Total</b>	<b>£4,478,874.91</b>

The breakdown analysis of the total 2015/16 debt outstanding at the 1<sup>st</sup> April 2016 of £4,478,874.91 is shown above.

The balance of the total 2015/16 debt outstanding as at the 30<sup>th</sup> September 2016 is £2,577,860.08 a reduction of £1,901,014.83

Council Tax Arrears Breakdown as at 30<sup>th</sup> September 2016

	Arrears B/F 31.03.2016	Arrears carried forward at 30.09.16	Net reduction	Actual % collection
1993	£209.79	209.79	£0.00	
1994	£196.38	196.38	£0.00	
1995	£160.93	160.93	£0.00	
1996	£1,169.72	822.35	£347.37	
1997	£2,515.44	2,265.60	£249.84	
1998	£6,520.73	5,285.57	£1,235.16	
1999	£13,651.12	10,524.30	£3,126.82	
2000	£23,651.23	20,675.88	£2,975.35	
2001	£44,141.19	40,315.65	£3,825.54	
2002	£69,689.22	64,517.27	£5,171.95	
2003	£107,204.25	96,162.39	£11,041.86	
2004	£142,983.80	128,467.76	£14,516.04	
2005	£193,953.15	171,163.41	£22,789.74	
2006	£279,312.86	240,500.43	£38,812.43	
2007	£353,204.84	307,120.79	£46,084.05	
2008	£445,474.78	376,737.97	£68,736.81	
<b>TOTAL</b>	<b>£1,684,039.43</b>	<b>£1,465,126.47</b>	<b>£218,912.96</b>	<b>13.00%</b>
2009	£508,826.89	438,006.55	£70,820.34	13.92%
2010	£641,250.31	544,294.30	£96,956.01	15.12%
2011	£919,521.49	762,554.87	£156,966.62	17.07%
2012	£1,263,642.68	1,036,873.60	£226,769.08	17.95%
2013	£1,861,020.04	1,513,688.25	£347,331.79	18.66%
2014	£2,638,490.88	2,024,602.02	£613,888.86	23.27%
2015	£4,478,874.91	2,577,860.08	£1,901,014.83	42.44%
<b>TOTAL</b>	<b>£13,995,666.63</b>	<b>£10,363,006.14</b>	<b>£3,632,660.49</b>	<b>25.96%</b>



## 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	01/04/16 to 30/09/16
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%	56.27%

### Actual 30<sup>th</sup> September 2016 – 56.27%

The amount of collectable debt raised for the year 2016/17 is **£91 million** in respect of **7,241** properties.

There have been 506 refunds actioned from the 1<sup>st</sup> April 2016 to the 30<sup>th</sup> September 2016 amounting to **£1,286,133.96** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	01/04/16 to 30/09/16
Reminders Issued	3,486	4,972	4,559	3,609	3,977	3,404	2,536	4,023	3,545	4,445	4,263	3,119
Final Notices Issued	239	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560	1,397
Summonses Issued	1,137	980	894	704	903	725	1,156	987	1,091	1,053	535	588
Liability Orders	775	675	602	426	666	672	749	683	771	734	411	318
7 day letters issued	1,021	1,421	605	299	674	367	471	501	No longer used	No longer used	No longer used	No longer used
Accounts passed to Enforcement Agent	322	542	331	130	316	430	537	645	650	444	283	132

The 2015/16 debt carried forward at 1<sup>st</sup> April 2016 was **£994,394.10**

<b>NNDR recovery stage</b>	<b>Amount</b>
<b>Un-summonsed</b>	<b>£234,700.74</b>
<b>Arrangement</b>	<b>£23,111.53</b>
<b>Enforcement Agent</b>	<b>£114,353.32</b>
<b>Final</b>	<b>£80,064.25</b>
<b>Liability</b>	<b>£286,663.85</b>
<b>Reminders</b>	<b>£107,671.21</b>
<b>Summonsed</b>	<b>£147,829.20</b>
<b>total</b>	<b>£994,394.10</b>

Movement in arrears for reporting period –

Arrears total 1990 - 2015/16 as at **01/04/16** £ 1,833,591.67

Arrears total 1990 - 2015/16 as at **30/09/16** £ 1,768,124.20

**Reduction Overall arrears** £ **65,467.47**

Included in the reduction is £844,092 of cash collected which has been offset by backdated revaluations and the removal of discounts and exemptions.

Business Rates Arrears breakdown as at 30<sup>th</sup> September 2016

	Arrears B/F 31.03.2016	Arrears carried forward	Net reduction	Actual Collection %
1991	2,952.90	0	2,952.90	100%
2005	2,032.39	0	2,032.39	100%
2006	270.62	189.21	81.41	30.08%
2007	277.5	88.06	189.44	68.27%
2008	5,822.64	5,822.64	0	0.00%
2009	18,814.02	31,912.30	-13,098.28	-69.62%
2010	26,952.65	32,604.46	-5,651.81	-20.97%
2011	33,662.27	41,208.28	-7,546.01	-22.42%
2012	143,541.97	144,560.11	-1,018.14	-0.71%
2013	163,736.24	179,598.86	-15,862.62	-9.69%
2014	441,134.37	403,432.73	37,701.64	8.55%
2015	994,394.10	928,707.55	65,686.55	6.60%
	<b>1,833,591.67</b>	<b>1,768,124.20</b>	<b>65,467.47</b>	

**Cashiers Data**

The cashiering service dealt with the following transactions in the period 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016

Civic Centre Total	Transactions including Kiosk
<b>£13,366,330.38</b>	<b>28,139</b>

**Payroll Data:**

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

	Monthly	Annually
Non Teaching/Teaching	<b>3,256</b>	<b>39,072</b>
Pensions	<b>5,023</b>	<b>60,276</b>

