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John Nightingale
Head of Revenues and Benefits
London Borough of Bromley
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Date: 26 June 2017

Our Ref: AIF/RJ

Dear John,

As we approach the July 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 12 months from 1st April 2016 to 31st March 2017.

Council Tax

The in-year collection for the year to 31st March 2017 was 97.93% which was an increase of 0.14% compared to the previous year. This high performance was achieved despite 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 1,067. All of these factors have resulted in an increase in the amount of collectable debt for the year.

Our all-years collection for the year was 97.87%, which was an increase of 0.38% on the previous year. Collection on out of year debt was made more challenging by the increase in the amount of static debt outstanding. This relates to debt that is below the level at which we issue a summons. In addition we have a large number of 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 however, the funds can only be realised when the resident decides to sell their property, which could be many years in the future.

A pilot project was commissioned post year end which will use a number of different recovery techniques such as out of hours calls and possible visits to try to address these issues.

We are continuing with our normal 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. 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, after which they lose the right to pay by instalments.

We are continuing to run our drop-in summons surgeries each month. These provide taxpayers with a valuable opportunity to meet with our staff in order to discuss any Council Tax issues and make arrangements to pay their outstanding balance.

The online Revenues and Benefits self-serve module, Capita Advantage Digital, went live in February 2017. Although this is being implemented on a phased basis, the initial go live resulted in an increase in information and functionality being made available to residents, landlords and local businesses which resulted in the ability to:

- View Council Tax annual bills, copy bills, payment details, discount and exemptions status
- View system generated correspondence
- Apply for discounts
- Set up direct debits
- Advise of a change in address
- View Benefit account information and system generated correspondence
- View NNDR annual bills, copy bills, payment details, discount and exemptions status

Additional functionality will be added during the summer months when the remaining phases are completed and further modules are brought on line. These will allow users to sign up to receive all correspondence and bills electronically, make online benefit claims and set up their own payment arrangements.

We have continued to encourage residents to use online options via either the My Bromley Portal or the Councils website in order to help promote the Councils Channel Shift programme. This has been achieved by adding appropriate wording to the telephone IVR's as well as ensuring that the contact centre staff advise callers and visitors of the benefits of using the on-line options.

Business Rates

The in-year collection rate for business rates for the 12 months to 31st March 2017 was 98.87%, which is 0.18% less than the previous year but is still in line with average collections achieved over the last five years. The all-years collection rate for the year was 97.83%, which was an increase of 0.83% compared to last year.

We undertook various campaigns during the year in order to increase collections and these included organising targeted mailshots to encourage small businesses to apply for reliefs. This resulted in an increase of £390k in the amount of relief awarded. We also 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. Approximately 39% of business rates accounts were paid by Direct Debit in November 2016, following our canvass that figure increased to 46%. The higher take up enables us to provide greater accuracy in our collection rate forecasts due to increased certainty over expected payments.

Orpington Business Improvement District

Our collection rate for the year was 96.8%, which was a shortfall of 1.2%, or £1,856, against our target. The largest outstanding balance was £318.78 which still remains unpaid and is subject to court proceedings. The majority of BIDS accounts are for small retail units that by their very nature are difficult to secure payment against and these also make up the majority of unpaid account for business rates.

Bromley Business Improvement District

This was the first year that the Business Improvement District scheme has been introduced for Bromley. The levy is based on the liable occupation on the 1st April of each year. As at 31st March 2017, we had achieved a collection rate of 99.23%.

Cashiers

For the year to 31st March 2017, £22.8m was collected which covered 52,463 transactions and included amounts taken via the Kiosk, post, central income and all parking revenue.

Pensions and Payroll

During the year to 31st March 2017 the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%; the Pension Team achieved an average of 98.34% service level compliance.

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

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
- £ 120.9 million - Annual payment of Housing Benefit
- £ 69.3 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the year to 31st March 2017
- £ 26.7 million – Payment of pensions for the year to 31st March 2017
- £ 22.8 million Year to date revenue on 52,463 transactions, this includes Kiosk
- (2,168 Loomis cash collections during the year to 31st March 2017)

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 16/17
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%	97.93%

Actual 31st March 2017 – 97.93%

The amount of collectable debt raised for the year 2016/17 was **£193m** in respect of **139,131** properties.

1,792 Cheque refunds and **5,115 BACs** refunds totalling **£1,505,997.85** have been issued from 1st April 2016 to 31st March 2017.

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	31/3/17
Reminders	53,371	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125	55,553
Summonses	13,757	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543	14,052
Liability Orders	10,135	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337	10,338
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	8,247
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 1st 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
Un-summused Debt	
Finals	£791,431.86
Un-summused	£629,904.07
Total	£4,478,874.91

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

The balance of the total 2015/16 debt outstanding as at the 31st March 2017 is **£2,443,069.52** a reduction of **£2,035,805.39**

Council Tax Arrears Breakdown as at 31st March 2017

	Arrears B/F 31/03/16	Arrears carried forward at 31/3/17	Net reduction	Actual % collection
1993	£209.79	£209.79	£0.00	
1994	£196.38	£196.38	£0.00	
1995	£160.93	£174.73	-£13.80	
1996	£1,169.72	£793.52	£376.20	
1997	£2,515.44	£2,092.85	£422.59	
1998	£6,520.73	£5,231.21	£1,289.52	
1999	£13,651.12	£9,038.54	£4,612.58	
2000	£23,651.23	£18,315.64	£5,335.59	
2001	£44,141.19	£36,373.25	£7,767.94	
2002	£69,689.22	£55,949.10	£13,740.12	
2003	£107,204.25	£85,777.22	£21,427.03	
2004	£142,983.80	£115,678.59	£27,305.21	
2005	£193,953.15	£159,905.10	£34,048.05	
2006	£279,312.86	£222,086.28	£57,226.58	
2007	£353,204.84	£285,222.51	£67,982.33	
2008	£445,474.78	£349,072.61	£96,402.17	
TOTAL	£1,684,039.43	£1,346,117.32	£337,922.11	20.07
2009	£508,826.89	£405,051.75	£103,775.14	20.39
2010	£641,250.31	£508,578.44	£132,671.87	20.69
2011	£919,521.49	£699,077.03	£220,444.46	23.97
2012	£1,263,642.68	£950,074.51	£313,568.17	24.81
2013	£1,861,020.04	£1,400,236.99	£460,783.05	24.76
2014	£2,638,490.88	£1,828,196.35	£810,294.53	30.71
2015	£4,478,874.91	£2,443,069.52	£2,035,805.39	45.45
TOTAL	£13,995,666.63	£9,580,401.91	£4,415,264.72	31.55%

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	Actual 16/17
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%	98.87%

Actual 31st March 2017 98.87%

The amount of collectable debt raised for the year 2016/17 is **£91 million**.

There have been 765 refunds actioned from the 1st April 2016 to the 31st March 2017 amounting to **£2,330,334.22** 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	2016/17
Reminders Issued	3,486	4,972	4,559	3,609	3,977	3404	2,536	4,023	3,545	4,445	4,263	4,288
Final Notices Issued	239	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560	1,960
Summonses Issued	1,137	980	894	704	903	725	1,156	987	1,091	1,053	535	1,123
Liability Orders	775	675	602	426	666	672	749	683	771	734	411	525
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	184

Appendix 2

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

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

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 **31/03/17** £ 1,177,523.65

Reduction Overall arrears £ **656.068.02**

Business Rates Arrears breakdown as at 31st March 2017

	Arrears B/F 31/03/16	Arrears carried forward 31/3/17	Net reduction	Actual % Collection
1991	2,952.90	0	2,952.90	100.00%
1997	0	20.24	-20.24	0.00%
1998	0	20.25	-20.25	0.00%
1999	0	0.27	-0.27	0.00%
2000	0.01	0	0.01	100.00%
2002	0.02	0.02	0	0.00%
2003	0.01	0	0.01	100.00%
2005	2,032.39	0	2,032.39	100.00%
2006	270.62	0.01	270.61	100.00%
2007	277.5	0	277.5	100.00%
2008	5,822.64	5,822.64	0	0.00%
2009	18,814.02	18,699.04	114.98	0.61%
2010	26,952.65	15,667.54	11,285.11	41.87%
2011	33,662.27	26,686.32	6,975.95	20.72%
2012	143,541.97	108,454.46	35,087.51	24.44%
2013	163,736.24	142,312.24	21,424.00	13.08%
2014	441,134.37	298,068.50	143,065.87	32.43%
2015	994,394.10	561,772.12	432,621.98	43.51%
	1,833,591.71	1,177,523.65	656,068.06	

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2016 to 31st March 2017

Civic Centre Total	Transactions including Kiosk
£22,802,078.48	52,463

Payroll Data:

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

	Monthly	Annually
Non-Teaching/Teaching	3,163	37,956
Pensions	5,036	60,432

Council Tax – Bromley’s performance compared to other Authorities

Average in-year Collection Rate	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %	2016-17 %
Bromley	97.6	97.8	97.5	97.7	97.8	97.9
Outer London	96.6	96.8	96.6	96.8	96.8	97.0
Inner London (excl City of London)	95.4	95.9	95.4	95.7	95.8	96.0
All London	96.3	96.4	96.2	96.5	96.5	96.7
Metropolitan Districts	96.1	96.2	95.4	95.3	95.4	95.4
Unitary Authorities	97.2	97.3	96.7	96.8	96.9	97.0
Shire Districts	98.2	98.1	97.9	97.9	98.0	98.1
England	97.3	97.4	97.0	97.0	97.1	97.2

Business Rates – Bromley's performance compared to other Authorities

Average in-year Collection Rate	2010-11 %	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %	2016-17 %
Bromley	98.9	98.8	98.7	98.7	98.8	99.1	98.8
Outer London	97.8	97.7	97.6	97.8	98.1	98.4	98.6
Inner London	98.2	98.3	98.4	98.6	98.7	98.7	98.7
All London	98.1	98.2	98.2	98.4	98.5	98.6	98.6
Metropolitan Districts	97.3	96.8	96.7	96.9	97.2	97.2	97.3
Unitary Authorities	97.7	97.5	97.4	97.6	97.9	98.0	98.2
Shire Districts	98.4	98.3	98.1	98.3	98.4	98.5	98.4
England	98.0	97.8	97.7	97.9	98.1	98.2	98.2