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Date: 8 November 2017

Our Ref: AIF/RJ

Dear John,

As we approach the November 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 1st April 2017 to 30th September 2017.

Council Tax

The in-year collection for the 6 months to 30th September 2017 was 58.05% which was an increase of 0.03% compared to the previous year. This high performance was achieved despite the fact that this is the second year where working-age Council Tax Support claimants have been required to pay the higher contribution of the households Council Tax liability, which increased from 19% to 25% in 2016/17.

Our all-years collection for the year was 58.15%, which was a decrease of 0.03% 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 has commenced which will use a number of different recovery techniques such as out of hour telephone calls, tailored pay-up letters and possible visits to try to address outstanding debt. The objective will be to encourage payment by highlighting to debtors the potential for additional interest charges to be added to their original debt and how future recovery action could impact on their credit rating.

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.

We completed the annual Empty Homes Review exercise whereby we sought to validate the status of properties showing as 'long term empty' (i.e. those that have been empty for at least 6 months) on the council tax database. The exercise is carried out through a combination of postal enquires, outbound telephone calls and visits undertaken by our Corporate Visiting Team. The Council receives additional funding from Central Government in the form of a New Homes Bonus for new properties built during the year. However, this funding is reduced if there is any year on year increase in the long term empty property figure. In addition, extra funding is also paid for any year on year reduction in the number of long term empty properties. As a result of the teams work we were able to report a reduction of 16 long term empty properties compared to the previous year. This meant that the Council received their full bonus for new properties as well as the additional funding for the decrease in empty properties.

We have continued to increase the functionality of the online Revenues and Benefits self-serve module since its go live in February 2017. The initial go live resulted in an increase in information and functionality being made available to residents, land lords 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

So far this year we have added an online Payment Arrangement module, which means that residents can now set up their own payment arrangement rather than having to contact Customer Services. The requested arrangement is compared against pre-set parameters covering the number, value and frequency of the suggested payments in order to approve, reject or forward for manual review. In addition a fully integrated Change in Address module has been implemented which removes the need to manually rekey information that had previously been entered by residents. A further module, which will allow users to sign up to receive all correspondence and bills electronically, is expected to go live during the next few months.

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 6 months to 30th September 2017 was 57.15%, which is a 0.88% increase on the previous year. The all-years collection rate for the year was 56.91%, which was an increase of 1.64% compared to last year.

In the last Spring Budget the Government announced a number of new reliefs that were introduced to minimise the impact of the 2017 Revaluation. Although these were all new initiatives and, in some case required the production of new policy documents to detail how they would be applied, they have all now been successfully implemented. The new measures included:

- Public House Relief – designed to provide additional relief to public houses with a rateable value of less than £100,000. We contacted all public houses that we could identify who met the criteria and invited them to apply for the relief. Of the 39 who have so far responded, all have received the award. A total of £39,000 has so far been awarded.
- Supporting Small Businesses – designed to limit this year's increase to £600 for those businesses who were in receipt of Small Business Relief in 2016/17. We were able to identify 183 accounts meeting the criteria which has resulted in over £384k being awarded in relief.
- Revaluation Support – designed to provide financial support to those smaller business most affected by the impact of the revaluation exercise. A local

policy was designed to help those businesses with a rateable value less than £200k, which had seen a gross increase in their bill from 2016/17 to 2017/18 of more than 12.5% and had a NET increase in their bill after all other discounts and reliefs had been applied. We identified and contacted over 2,500 businesses which met these criteria and invited them to apply for the relief. So far nearly 1,100 have responded resulting in over £351k of relief being awarded.

We are continuing to issue reminder letters to all businesses who have so far failed to apply for any of the above reliefs.

As a further way of promoting the reliefs we organised a stand at the Biggin Hill 'Big On Business' exhibition in the summer where we met with local businesses to explain the nature of the new reliefs and how they could apply for them. We also provided summary documents and explanatory hand-outs to a number of business associations for them to distribute to their members. The aim of the campaign was to maximise the number of local businesses who could benefit from these reliefs.

During the year our Business Rates Shared Service team, who are based in North Somerset and deliver the recovery, collection and contact centre service for the London Borough of Bromley, won the Excellence in Non-Domestic Rate award at the Institute of Revenues Rating and Valuation (IRRV) annual Performance Awards. This was in recognition of the teams work in providing expert, reliable, resilient and efficient services in order to ensure our clients achieve consistently high revenue collection results.

Orpington Business Improvement District (BID)

Our collection rate for the 6 months to 30th September 2017 was 81.0%, which was an increase of 7.4% compared to the previous year. The BIDS members are invoiced in two instalments in April and September.

Bromley Business Improvement District

This is the second 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 30th September 2017, we achieved a collection rate of 96.3% which was 1.1% down against last year. Part of this variance is due to delays in businesses advising us of vacations and new occupations which lead to the issuing of new or revised invoices.

Cashiers

For the 6 months to 30th September 2017, £13.5m was collected which covered 19,290 transactions and included amounts taken via the Kiosk, post and central income.

Pensions and Payroll

During the 6 month period to 30th September 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 99.46% service level compliance over the same period.

There have been challenges to face in the first 7 months of the year including managing the Apprenticeship Levy and assisting the Council with the implementation of Self-Service for Overtime and Expenses.

Teacher's Pension changes include the implementation of MDC (Monthly Data collection) for the Spring Trust Schools in April 2017, with other Academies gradually being added in the months following. The Council's Teachers and Bromley Schools will be added to the process from October 2017.

Annual Benefit Statements were dispatched to Active and Deferred Members in-line with the new regulatory deadline.

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

Yours sincerely

Amanda Inwood-Field
London Regional Contract Director