



Knollys House
17 Addiscombe Road
Croydon CR0 6SR
United Kingdom

T +44 (0)20 7378 3700
F +44 (0)20 7378 3701

www.liberata.com

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

11 June 2018

Our Ref: AIF/RJ

Dear John,

As we approach the July 2018 Executive Resources & Contracts 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 2017 to 31st March 2018.

Council Tax

The in-year collection for the year to 31st March 2018 was 98.04% which was an increase of 0.12% compared to the previous year. This improved performance was achieved despite the requirement to collect £7.7m more than in the previous financial year.

The all-years collection figure was 98.00%, which was an increase of 0.13% on the previous year. Out of year debt collection remains a challenge as we are experiencing an increase in the amount of static debt outstanding. This relates to debt where we are limited in the type of recovery action that may be employed. This may be because the debt is below the level at which we issue a summons. We also 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 because the value of the debt is below the threshold needed to apply for Bankruptcy or a Charging Order.

There are also a number of cases where the debt has been secured by a Charging Order being placed against the debtors' property. However, in these cases the funds will only be realised when the debtor decides to sell their property and this could be many years in the future.

In recognition of the growing problem caused by this static debt, we commenced a pilot project during the year which was designed to utilise different recovery techniques, such as out of hour telephone calls, bespoke pay-up letters and possible visits to try to address the outstanding debt. The aim was to encourage payment by highlighting to debtors the potential for additional interest charges to be added to their original debt, how future recovery action could impact on their credit rating, to detail how their property could be forcibly sold to clear their debt or, as an ultimate sanction, that they could face imprisonment for non-payment. Although the project is still ongoing, the results so far have been promising. As part of the targeted communication the debtors have been encouraged to attend an interview to discuss their debt position. So far 55% of those debtors contacted have attended an interview. This has allowed for a constructive dialogue to take place about their debt including a review of their current financial position and agreement being reached on a realistic repayment plan.

We have continued with our normal collection and recovery initiatives, this includes reviewing the top 100 debtors, proactively chasing older debts, issuing standard '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 also 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 application since it went live in February 2017. Residents are now able to conduct the following online:

- 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
- Set up a payment arrangement
- View Benefit account information and system generated correspondence
- View NNDR annual bills, copy bills, payment details, discount and exemptions status

Further modules are planned to go live later this year which will allow users to sign up to receive all correspondence and bills electronically, to apply for exemptions and submit benefit claims online. We currently have over 18,000 residents signed up to use the system and we expect this figure to continue to rise over the coming months as the additional modules go live.

Business Rates

The in-year collection rate for business rates was 98.53%, which was a decrease of 0.34% on the previous year. The all-years collection rate for the year was 99.52%, which was an increase of 1.69% compared to last year. Despite the in-year collection being down on the previous year, the actual cash collected increased by £2.3m (3.1%).

The impact of the 2017 Revaluation was felt by large and small businesses alike with the Rateable Value increasing by £34.5m (16.4%). Despite a £5.3m transitional relief award and an additional £1.0m of funding from Central Government the Net Collectable Debt increased by £2.9m (3.3%).

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 were all 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 44 who responded, all received the award resulting in a total of £39,928 being 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 have 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. Central Government allocated London Borough of Bromley £1.4m to mitigate the effects of the 2017 Revaluation. 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. Despite issuing reminder letters, emails and telephone calls the take up remained low. With this in mind the policy was amended and ratepayers that satisfied our criteria were “auto-awarded” relief. To date we have awarded £1,080,268 (76.9%) in Revaluation Support, and we expect to award the balance, approximately £320,000, during July 2018.

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.

We continued with our comprehensive processes in arrears management. Where possible payments were taken, arrangements were agreed and reliefs were awarded. The largest unpaid account at the year-end (£79,184), relates to an organisation whose case is currently being contested in the courts in Bromley and in a number of other boroughs. Recovery action will continue but during the year we were restricted by matters beyond our control.

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 year was 95.83%, which was a decrease of 0.56% compared to the previous year. The same organisation which owed £79,184 and is referred to above, was also the largest BID debtor (£2,400) and represented 1.4% of the total debt due. The BID board were made aware of the situation but did not want to exclude the account from the final calculation.

Bromley Business Improvement District

This is the second year that the Business Improvement District scheme has been in operation for Bromley. The levy is based on the liable occupation on the 1st April of each year. Our collection rate for the year to 31st March 2018 was 99.12%. Although this was down by 0.11% against the previous year we still increased the total cash collected by over £38,000 or 7% during the year.

Cashiers

We collected over £15.8m during the year which covered 35,562 transactions and included amounts taken via the Kiosk, post and central income.

Pensions and Payroll

During the year the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%. The Pension Team achieved an average of 99.2% service level compliance over the same period.

There have been challenges during the year including managing the Apprenticeship Levy and assisting the Council with the implementation of Self-Service for Overtime and Expenses. In addition the Council's Transitional delay for Auto Enrolment ended on 30th September 2017, and any staff who had not previously opted-out were enrolled into the Scheme with letters being issued notifying all affected employees. The team had to provide data for approximately 150 Council employees in the Libraries and IT area who transferred under TUPE on 1st November 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

The key elements of the Revenues Service includes (2017/18 figures):

- **£ 201 million** – Annual amount of Council Tax raised
- **£ 95.6 million** – Annual amount of Business Rates raised
- **£ 12.4 million** – Annual payment of Council Tax Support
- **£ 121 million** - Annual payment of Housing Benefit
- **£ 61.8 million** – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the year from 1st April 2017 to 31st March 2018
- **£ 27.1 million** – Payment of Pensions from 1st April 2017 to 31st March 2018
- **£ 15.8 million** Year to date revenue on 35,562 transactions, this includes Kiosk (1812 Loomis cash collections during the year to 31st March 2018)

Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value Pl's	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	Actual 17/18
BV9:CTAX Collected	97.1%	97.03%	97.28%	97.59%	97.65%	97.76%	97.50%	97.70%	97.79%	97.93%	98.04%

Appendix 2

Actual 31st March 2018 – 98.04%

The amount of collectable debt raised for the year 2017/18 was £201m in respect of **139,305** properties.

1,542 Cheque refunds and **7,082 BACs** refunds totalling **£1,735,727.62** have been issued from 1st April 2017 to 31st March 2018.

The following Council Tax recovery notices were issued:

	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	31/3/18
Reminders	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125	55,553	78,657
Summonses	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543	14,052	10,755
Liability Orders	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337	10,338	9,115
14 day letters – Enforcement Agent warning	11,276	10,761	13,127	11,823	11,757	12,518	15,816	10,103	12,214	8,247	8,647
Accounts passed to Enforcement Agent	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	All at 14 day stage

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

There has been a marked increase in the number of reminders issued during the period. This was partly due to the first instalment date being pushed back to 18th April which resulted in a total of 28,499 reminders being issued in May 2017 compared to 8,443 for May 2016.

The 2016/17 debt carried forward at the 1st April 2017 was £4,290,637.42

Council Tax - Summoned Debt	
Summonses / costs	£691,586.70
Arrangement	£292,702.53
Bailiff /14 DAY	£1,938,672.06
Attachment	£66,262.58
Bankruptcy	£15,144.43
Liability	£377,112.23
Un-summensed Debt	
Finals	£259,974.09
Un-summensed	£649,182.90
Total	£4,290,637.42

The breakdown analysis of the total 2016/17 debt outstanding at the 1st April 2017 of £4,290,637.42 is shown above.

The balance of the total 2016/17 debt outstanding as at the 31st March 2018 is £2,357,447.81 a reduction of £1,933,189.61

Council Tax Arrears Breakdown as at 31st March 2018

	Arrears B/F 31.03.2017	Arrears carried forward	Net reduction	Actual % collection
1993	£209.79	£209.79	£0.00	
1994	£196.38	£192.77	£3.61	
1995	£174.73	£50.70	£124.03	
1996	£793.52	£562.30	£231.22	
1997	£2,092.85	£1,689.33	£403.52	
1998	£5,231.21	£4,473.36	£757.85	
1999	£9,038.54	£7,228.14	£1,810.40	
2000	£18,315.64	£13,981.46	£4,334.18	
2001	£36,373.25	£27,127.37	£9,245.88	
2002	£55,959.10	£41,625.82	£14,333.28	
2003	£85,777.22	£67,138.70	£18,638.52	
2004	£115,678.59	£89,491.70	£26,186.89	
2005	£159,905.10	£126,027.35	£33,877.75	
2006	£222,086.28	£159,730.56	£62,355.72	
2007	£285,222.51	£206,773.13	£78,449.38	
2008	£349,072.61	£259,618.52	£89,454.09	
TOTAL	£1,346,127.32	£1,005,921.00	£340,206.32	25%
2009	£405,051.75	£292,386.26	£112,665.49	28%
2010	£508,578.44	£367,445.44	£141,133.00	28%
2011	£699,077.03	£486,083.84	£212,993.19	30%
2012	£950,074.51	£628,238.98	£321,835.53	34%
2013	£1,400,236.99	£1,004,927.25	£395,309.74	28%
2014	£1,828,196.35	£1,294,473.54	£533,722.81	29%
2015	£2,443,069.52	£1,629,535.08	£813,534.44	33%
2016	£4,290,637.42	£2,357,447.81	£1,933,189.61	45%
TOTAL	£13,871,049.33	£9,066,459.20	£4,804,590.13	35%

Business Rates Data:

In year collection performance by Liberata is shown below:

Best Value PIs	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	Actual 17/18
BV10:Rates Collected	99.5%	99.8%	99.1%	99.02%	98.9%	98.81%	98.72%	98.70%	98.80%	99.05%	98.87%	98.53%

Actual 31st March 2018 – 98.53%

The amount of collectable debt raised for the year 2017/18 is **£95.6 million**.

There have been 924 refunds actioned from the 1st April 2017 to the 31st March 2018 amounting to **£3,555,814.80** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	17/18
Reminders Issued	4,972	4,559	3,609	3,977	3,404	2,536	4,023	3,545	4,445	4,263	4,288	3,525
Final Notices Issued	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560	1,960	1,985
Summonses Issued	980	894	704	903	725	1,156	987	1,091	1,053	535	1,123	768
Liability Orders issued	675	602	426	666	672	749	683	771	734	411	525	522
7 day letters issued	1,421	605	299	674	367	471	501	No longer used	No longer used	No longer used	No longer used	No longer used
Accounts passed to Enforcement Agent	542	331	130	316	430	537	645	650	444	283	184	159

The 2016/17 debt carried forward at 1st April 2017 was **£1,084,811.80**

NNDR recovery stage	Amount
Un-summonsed	£188,461.95
Arrangement	£71,332.32
Enforcement Agent	£211,225.60
Final	£114,281.58
Liability	£376,745.92
Reminders	£47,658.54
Summonsed	£75,105.89
total	£1,084,811.80

Movement in arrears for reporting period –

Arrears total 1990 - 2016/17 as at **01/04/17** £2,264,938.84

Arrears total 1990 - 2016/17 as at **31/3/18** £1,225,205.28

Reduction Overall arrears **£1,039,733.56**

Business Rates Arrears breakdown as at 31st March 2017

Appendix 2

	Arrears B/F 31.03.2017	Arrears carried forward	Net reduction	Actual % collection
1990	0.00	1,014.79	1,014.79	0.00%
1991	0.00	1,297.66	1,297.66	0.00%
1997	20.24	20.24	0.00	0.00%
1998	20.25	20.25	0.00	0.00%
1999	0.27	0.29	0.02	0.00%
2000	0.00	0.00	0.00	0.00%
2001	0.00	0.00	0.00	0.00%
2002	0.02	0.02	0.00	0.00%
2003	0.00	0.00	0.00	0.00%
2004	0.00	0.00	0.00	0.00%
2005	0.00	0.00	0.00	0.00%
2006	0.01	0.01	0.00	0.00%
2007	0.00	0.00	0.00	0.00%
2008	3,658.03	3,658.03	0.00	0.00%
2009	18,699.04	18,695.36	(3.68)	0.02%
2010	15,687.54	13,858.69	(1,828.85)	11.66%
2011	26,686.32	19,944.20	(6,742.12)	25.26%
2012	108,454.46	79,777.97	(28,676.49)	26.44%
2013	142,312.24	80,594.04	(61,718.20)	43.37%
2014	298,068.50	171,887.70	(126,180.80)	42.33%
2015	566,520.12	290,863.46	(275,656.66)	48.66%
2016	1,084,811.80	543,572.57	(541,239.23)	49.89%
	2,264,938.84	1,225,205.28	(1,039,733.56)	45.91%

** Backdated revaluations and the removal of discounts and exemptions can result in a backdated increase in arrears

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2017 to 31st March 2018

Civic Centre Total	Transactions including Kiosk
£15,846,689.92	35,562

Payroll Data:

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

	Monthly	Annually
Non-Teaching/Teaching	2,730	32,760
Pensions	5,011	60,132

