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Our Ref: AIF/RJ

Dear Claudine,

As we approach the January 2021 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 eight month period ended 30<sup>th</sup> November 2020.

### **Council Tax**

The in-year collection for the period was 74.81% and was equivalent to £163.03m of cash collected. The collection rate was 1.55% lower than the previous year. However, this reflected the impact that the Coronavirus had on our recovery activity. Following the first national lockdown in March, and in keeping with the Council's objective of being sympathetic to residents rapidly worsening financial position, we amended our recovery processes accordingly. Although we still issued reminder letters we stopped all other activity from Enforcement Agents, ceased issuing any court summonses and instead encouraged residents to contact us so we could discuss and agree on achievable repayment plans or implement short term payment deferrals. We only recommenced using Enforcement Agents during September, however this was then curtailed as a result of the second national lockdown in November. All court hearings remained suspended which prevented us from issuing any summons letters or liability orders. We are hopeful that the courts will allow us to hold 'virtual' hearings during the early part of 2021 which will allow us to begin clearing the backlog of cases that have built up. To provide some context for our collection results the Society of London Treasurers data for October reported an average drop of 6.1% in collection for Council Tax and 13.7% for Business rates.

### In Year Collection

	30/11/2020	30/11/2019	Variance
In Year	£m	£m	£m
Net collectable Debt	£217.93	£211.23	£6.70
Amount collected	-£163.03	-£161.30	£1.73
Debt remaining	<u>£54.90</u>	<u>£49.93</u>	
Collection Rate	74.81%	76.36%	-1.55%

The all-years collection figure achieved was 74.62% which was a decrease of 1.83% compared to the previous year.

### All Years Collection

	30/11/2020	30/11/2019	Variance
All Years	£m	£m	£m
Net collectable Debt	£221.10	£214.00	£7.10
Amount collected	-£164.99	-£163.61	£1.38
Debt remaining	<u>£56.11</u>	<u>£50.39</u>	
Collection Rate	74.62%	76.45%	-1.83%

During the period under review we saw an increase in the numbers of residents using the online services as this became a faster and more convenient way of accessing information about their accounts. The number of MyBromley Accounts currently stands at over 83,000. We plan to include promotional flyers with this year's annual bills to encourage residents to sign up for e-billing and replace their paper bills with online versions.

### Business Rates

The in-year collection rate to 30<sup>th</sup> November was 68.95% which was down by 4.04% compared to the previous year's figure. If we adjusted the collection rate to include amounts due from the Council then the shortfall in collection would have been 2.55%. Our collections were again adversely impacted by the Coronavirus which saw all non-essential businesses having to close twice during the two national lockdowns. The resulting cessation in activity by the Enforcement Agents and the on-going closure of courts reduced our ability to recover debts.

### In Year Collection:

	30/11/2020	30/11/2019	Variance
In Year	£m	£m	£m
Net collectable Debt	£41.00	£97.46	-£56.46
Amount collected	-£28.27	-£71.14	-£42.87
Debt remaining	<b>£12.73</b>	<b>£26.32</b>	
Collection Rate	68.95%	72.99%	-4.04%
Adjusted if incl outstanding LBB debts as paid	70.46%	73.01%	-2.55%

The all year's collection rate for the period was 64.11%, which is a fall of 7.24% on the previous year.

### All Years Collection Rate:

	30/11/2020	30/11/2019	Variance
All Years	£m	£m	£m
Net collectable Debt	£41.50	£99.91	-£58.40
Amount collected	-£26.65	-£71.39	-£44.74
Debt remaining	<b>£14.85</b>	<b>£28.52</b>	
Collection Rate	64.22%	71.46%	-7.24%

### Business Improvement Districts (BID)

Liberata has continued to manage the billing and recovery for a number of BID boards within the borough. Collection rates, which are shown below, have again been adversely impacted by the factors detailed above.

	30/11/2020	30/11/2019	Variance
	£000	£000	£000
<b>Orpington BID</b>			
Net collectable Debt	£193.00	£193.46	-£0.45
Amount collected	-£162.05	-£176.61	£14.56
Debt remaining	<b>£30.96</b>	<b>£16.85</b>	
<b>Collection Rate</b>	<b>83.96%</b>	<b>91.29%</b>	<b>-7.33%</b>
<b>Bromley - BID</b>			
Net collectable Debt	£651.68	£640.00	£11.69
Amount collected	-£425.43	-£593.66	-£168.23
Debt remaining	<b>£226.25</b>	<b>£46.33</b>	
<b>Collection Rate</b>	<b>65.28%</b>	<b>92.76%</b>	<b>-27.48%</b>
<b>Beckenham - BID</b>			
Net collectable Debt	£253.64	£247.73	£5.91
Amount collected	-£131.66	-£213.84	-£82.18
Debt remaining	<b>£121.98</b>	<b>£33.90</b>	
<b>Collection Rate</b>	<b>51.91%</b>	<b>86.32%</b>	<b>-34.41%</b>
<b>Penge - BID</b>			
Net collectable Debt	£148.62	£148.50	£0.12
Amount collected	-£54.96	-£130.13	-£75.18
Debt remaining	<b>£93.66</b>	<b>£18.36</b>	
<b>Collection Rate</b>	<b>36.98%</b>	<b>87.64%</b>	<b>-50.66%</b>

## Cashiers

We collected £4.36m during the year which covered 5,854 transactions and included amounts taken via the kiosks, post and central income. The closure of the Civic Centre and the Penge library during the summer reduced the usage of the kiosk machines located there. Although the Civic Centre has re-opened the fact that this is now on an appointment only basis means that the drop in numbers using the kiosk has continued.

## Pensions and Payroll

The Pension Team achieved an average of 99.88% service level compliance over the year to 30<sup>th</sup> November 2020. The Payroll Team also continued to provide a valued service with an average accuracy rate of 99.92% across the Council's Corporate, Schools and Pensions payrolls.

## Impact of the Coronavirus

As detailed above the Coronavirus continues to impact our debt recovery due to the effect it is having on the finances of both residents and businesses. Liberata has been able to support the Council in the implementation and administration of a

number of business support grants which offer financial support to local businesses and other organisations. We have worked with the Council to deliver the Small Business Grants, the Retail, Hospitality and Leisure Grant and the Discretionary Grant. As a result we processed over 6,500 applications and paid out over £49.525m in grants. We are currently administering the Local Restrictions Support Grant for the November national lockdown with a number of other grant schemes due to come on line within the next few weeks.

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 (2020/21 figures):

- **£233.04 million** – Annual amount of Council Tax raised
- **£98.93 million** – Annual amount of Business Rates raised
- **£12.7 million** – Annual payment of Council Tax Support
- **£93 million** - Estimated Housing Benefit expenditure for 2020/21
- **£44.6 million** – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period from 1<sup>st</sup> April 2020 to 30<sup>th</sup> November 2020
- **£20.2 million** – Payment of Pensions from 1<sup>st</sup> April 2020 to 30<sup>th</sup> November 2020
- **£4.36 million** – 1<sup>st</sup> April 2020 to 30<sup>th</sup> November 2020 revenue on 5,854 transactions, this includes Kiosk
- (509 Loomis cash collections during the seven months to 30<sup>th</sup> November 2020.)

## Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Actual 19/20	Actual 01/04/20 to 30/11/20
BV9:CTAX Collected	97.65%	97.76%	97.50%	97.70%	97.79%	97.93%	98.04%	98.00%	97.86%	<b>74.81%</b>

### Actual 30<sup>th</sup> November 2020 – 74.81%

The amount of collectable debt raised for the year 2020/21 was **£233.04m** in respect of **141,399** properties.

**126 Cheque** refunds and **4,188 BACs** refunds totalling **£1,391,689.64** have been issued from 1<sup>st</sup> April 2020 to 30<sup>th</sup> November 2020.

The following Council Tax recovery notices were issued:

	31/03/12	31/03/13	31/03/14	31/03/15	31/03/16	31/03/17	31/03/18	31/03/19	31/03/20	Actual 01/04/20 to 30/11/20
Reminders	51,920	45,816	56,256	54,745	52,125	55,553	78,657	63,387	57,196	36,897
Summonses	16,436	16,168	19,267	13,158	9,543	14,052	10,755	9,375	9,561	0
Liability Orders	9,396	10,868	9,999	8,645	8,337	10,338	9,115	8,105	8,606	0
14 day letters – Enforcement Agent warning	11,757	12,518	15,816	10,103	12,214	8,247	8,647	10,074	9,129	0

The suspension of court hearings in late March, which was in response to the national lockdown, means that no Summonses, Liability Orders or 14 day letters have been issued so far this year.

The 2019/20 debt carried forward at the 1<sup>st</sup> April 2020 was £4,897,521.05

Council Tax - Summoned Debt	
Summonses / costs	£538,537.29
Arrangement	£356,325.99
Bailiff /14 DAY	£2,020,711.96
Attachment	£28,519.94
Bankruptcy	£22,794.38
Liability	£835,659.68
Un-summoned Debt	
Finals	£400,026.72
Un-summoned	£694,945.09
Total	<b>4,897,521.05</b>

The breakdown analysis of the total **2019/20** debt outstanding at the 1<sup>st</sup> April 2020 of **£4,897,521.05** is shown above.

The balance of the total **2019/20** debt outstanding as at the **30<sup>th</sup> November 2020** is **£3,882,170.36** a reduction of **£1,015,350.69**.



Council Tax Arrears Breakdown as at 30<sup>th</sup> November 2020

	Arrears B/F 31.03.2020	Arrears carried forward	Net reduction	Actual % collection
1998	£384.89	0	£384.89	
1999	£8.97	0	£8.97	
2000	£2,837.58	£2,915.56	-£77.98	
2001	£9,180.51	£7,290.76	£1,889.75	
2002	£18,562.19	£16,183.89	£2,378.30	
2003	£29,373.47	£26,989.98	£2,383.49	
2004	£37,897.21	£34,780.88	£3,116.33	
2005	£60,856.92	£52,338.80	£8,518.12	
2006	£92,649.51	£81,124.26	£11,525.25	
2007	£118,820.19	£111,639.60	£7,180.59	
2008	£153,220.53	£138,235.37	£14,985.16	
<b>TOTAL</b>	<b>£523,791.98</b>	<b>£471,499.10</b>	<b>£52,292.88</b>	<b>9.98%</b>
2009	£177,522.47	£163,816.30	£13,706.17	7.72%
2010	£217,068.30	£202,401.51	£14,666.79	6.76%
2011	£275,722.53	£259,357.74	£16,364.79	5.94%
2012	£359,346.77	£341,845.77	£17,501.00	4.87%
2013	£585,632.18	£543,324.68	£42,307.50	7.22%
2014	£752,041.09	£694,577.01	£57,464.08	7.64%
2015	£963,191.92	£899,403.08	£63,788.84	6.62%
2016	£1,276,545.41	£1,179,995.16	£96,550.25	7.56%
2017	£1,750,637.73	£1,602,702.88	£147,934.85	8.45%
2018	£2,637,420.79	£2,358,585.66	£278,835.13	10.57%
2019	£4,897,521.05	£3,882,170.36	£1,015,350.69	20.73%
<b>TOTAL</b>	<b>£14,416,442.22</b>	<b>£12,599,679.25</b>	<b>£1,816,762.97</b>	

## Business Rates Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19	Actual 19/20	Actual 01/04/20 to 30/11/20
BV10: Rates Collected	98.81%	98.72%	98.70%	98.80%	99.05%	98.87%	98.53%	98.53%	98.03%	68.95%

The amount of collectable debt raised for the year 2020/21 is **£98.93 million**.

There have been 778 refunds actioned from the 1<sup>st</sup> April 2020 to the 30<sup>th</sup> November 2020 amounting to **£3,836,068.91** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	31/03/12	31/03/13	31/03/14	31/03/15	31/3/16	31/3/17	31/3/18	31/03/19	31/03/20	Actual 01/04/20 to 30/11/20
Reminders Issued	2,536	4,023	3,545	4,445	4,263	4,288	3,525	3,245	3,447	1,439
Final Notices Issued	1,741	2,014	2,472	2,353	1,560	1,960	1,985	1,312	2,201	0
Summonses Issued	1,156	987	1,091	1,053	535	1,123	768	601	429	0
Liability Orders	749	683	771	734	411	525	522	550	438	0
7 day letters issued	471	501	No longer used	No longer used	No longer used	No longer used	No longer used	No longer used	No longer used	0
Accounts passed to Enforcement Agent	537	645	650	444	283	184	159	203	369	

The suspension of court hearings in late March, which was in response to the national lockdown, means that no Summonses, Liability Orders or 14 day letters have been issued so far this year.

The **2020/21** debt carried forward at 1<sup>st</sup> April 2020 was **£1,840,994.40**

NNDR recovery stage	Amount
Un-summoned	£276,211.14
Arrangement	£66,255.43
Enforcement Agent	£340,882.76
Final	£384,617.17
Liability	£280,018.32
Reminders	£435,801.05
Summoned	£57,208.53
<b>Total</b>	<b>£1,840,994.40</b>

Movement in arrears for reporting period –

Arrears total 2001 - 2019/20 as at **01/04/20**      **£3,299,725.08**

Arrears total 2001 - 2019/20 as at **30/11/20**      **£3,107,466.57**

**Reduction in Overall arrears**      **£192,258.51**

Business Rates Arrears breakdown as at 30<sup>th</sup> November 2020

	Arrears B/F 31.03.2020	Arrears carried forward	Net reduction	Actual % collection
2001	137.94	137.94	0.00	
2008	2,226.54	1,143.35	1,083.19	48.65%
2009	2,295.44	938.03	1,357.41	59.14%
2010	11,415.65	7,659.00	3,756.65	32.91%
2011	17,763.66	10,669.02	7,094.64	39.94%
2012	45,096.04	28,790.87	16,305.17	36.16%
2013	48,379.15	41,316.92	7,062.23	14.60%
2014	75,580.35	79,591.70	- 4,011.35	-5.31%
2015	88,970.89	87,874.23	1,096.66	1.23%
2016	186,048.94	170,714.63	15,334.31	8.24%
2017	366,700.81	407,448.72	- 40,747.91	-11.11%
2018	614,115.27	616,544.01	- 2,428.74	-0.40%
2019	1,840,994.40	1,654,638.15	186,356.25	10.12%
	<b>3,299,725.08</b>	<b>3,107,466.57</b>	<b>192,258.51</b>	

*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 1<sup>st</sup> April 2020 to 30<sup>th</sup> November 2020:

Civic Centre Total	Transactions including Kiosk
<b>£4,358,692.60</b>	<b>5,854</b>

### Payroll Data:

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

	Monthly	Annually
Non-Teaching/Teaching	2,582	30,990
Pensions	5,340	64,080

## Complaints Data:

[illegible]