

Liberata

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Our Ref: AIF/RJ

Dear Claudine,

As we approach the June 2021 Executive, Resources and Contracts Policy Development and Scrutiny Committee 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 year to 31st March 2021.

Council Tax

We achieved an in-year collection for the year of 96.51%, which represented £210.26m of cash collected. Although the collection rate was 1.36% lower than the previous year, 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 continued to issue reminder letters to residents, all other active recovery work was stopped. This included the use of Enforcement Agents and the issuing of court summonses. Instead we focused on encouraging residents in financial difficulty to contact us in order to discuss and agree on achievable repayment plans or implement short term payment deferrals. Although we restarted the use of Enforcement Agents during September, this was again stopped as a result of the second national lockdown in November and did not recommence for the remainder of the year. Court hearings also remained suspended which prevented us from issuing any summons letters or liability orders. Since the year end the courts have commenced with 'virtual hearings' however these have so far been restricted to cover a maximum of 500 cases per hearing. As such this will take some time to clear the backlog that has built up during 2020/21. To provide some context for our collection results the in year figure of 96.51% placed Bromley in 5th place when compared to the other London

Boroughs where the average fall in collection was 2.63% compared to Bromley's 1.36%.

	31/03/2021	31/03/2020	Variance
In Year	£m	£m	£m
Net collectable Debt	£217.88	£211.18	£6.70
Amount collected	<u>-£210.26</u>	<u>-£206.66</u>	£3.60
Debt remaining	<u>£7.62</u>	<u>£4.52</u>	
Collection Rate	96.51%	97.87%	-1.36%

The all-years collection figure achieved was 96.01% which was a decrease of 1.84% compared to the previous year.

	31/03/2021	31/03/2020	Variance
All Years	£m	£m	£m
Net collectable Debt	£220.90	£213.78	£7.12
Amount collected	<u>-£212.08</u>	<u>-£209.19</u>	£2.89
Debt remaining	<u>£8.82</u>	<u>£4.59</u>	
Collection Rate	96.01%	97.85%	-1.84%

During the first six months of the year we saw a 19% increase in the number of new registered MyBromley Accounts being set up, compared to the previous year and a 36% increase in the number of visits to the MyBromley Account portal pages. This highlighted the channel shift as residents chose to use the online services as a faster and more convenient way of accessing information about their accounts. We also included 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. This not only provides residents with a faster service but also saves on paper usage. The number of registered MyBromley Accounts currently stands at over 93,000.

Business Rates

Our in-year collection rate to 31st March 2021 was 91.89% which was down by 6.14% compared to the previous year's figure. This placed Bromley in 12th place when compared to the collection rates of the other London Borough's. However the average fall in collection experienced by these Borough's was 8.31%. In line with the position on Council Tax, the Business Rates collections were also adversely impacted by the Coronavirus. This placed additional financial strain on local businesses who were either forced to close or saw their trading drastically reduced. This, together with the cessation in activity by the Enforcement Agents and the ongoing closure of courts, reduced our ability to recover debts.

In Year Collection:

	31/03/2021	31/03/2020	Variance
In Year	£m	£m	£m
Net collectable Debt	£40.14	£96.51	-£56.37
Amount collected	-£36.89	-£94.61	-£57.72
Debt remaining	£3.25	£1.90	
Collection Rate	91.89%	98.03%	-6.14%
<i>Adjusted to incl outstanding LBB debt as paid</i>	92.12%	98.03%	-5.91%

The all year's collection rate for the period was 82.07%, which is a fall of 13.61% on the previous year.

All Years Collection Rate:

	31/03/2021	31/03/2020	Variance
All Years	£m	£m	£m
Net collectable Debt	£39.89	£98.44	-£58.55
Amount collected	-£32.74	-£94.19	-£61.45
Debt remaining	£7.15	£4.25	
Collection Rate	82.07%	95.68%	-13.61%

Cashiers

We collected £5.98m during the year which was made up of 6,902 transactions and included amounts taken via the kiosks, post and central income. The closure of the Civic Centre and the Penge library during the year reduced the usage of the kiosk machines located there. Although the Civic Centre did re-open, this was on an appointment only basis which further contributed to the decrease in usage of the kiosk there.

Pensions and Payroll

The Pension Team achieved an average of 97.48% service level compliance over the year to 31st March 2021. The Payroll Team also continued to provide a valued service with an average accuracy rate of 99.98% across the Council's Corporate, Schools and Pensions payrolls.

Impact of the Coronavirus

As detailed above the Coronavirus had a material impact on our debt recovery due to the effect it had, and continues to have, 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 various Discretionary and Local Restriction Support Grants. As a result we have so far processed over 25,000 applications and paid out over £89.69m in grants.

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

Appendix 2

Actual 31st March 2021 – 96.51%

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

294 Cheque refunds and **8,141 BACs** refunds totalling **£2,447,170.86** have been issued from 1st April 2020 to 31st March 2021.

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	31/03/21
Reminders	51,920	45,816	56,256	54,745	52,125	55,553	78,657	63,387	57,196	54,201
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 March 2020, which was in response to the national lockdown, meant that no Summonses, Liability Orders or 14 day letters were issued during the year.

The key elements of the Revenues Service include (2020/21 figures):

- £233.04 million – Annual amount of Council Tax raised
- £98.93 million – Annual amount of Business Rates raised
- £12.56 million – Annual payment of Council Tax Support
- £91m million – Annual expenditure of Housing Benefit
- £68.2 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period from 1st April 2020 to 31st March 2021
- £30.5 million – Payment of Pensions from 1st April 2020 to 31st March 2021
- £5.98 million – 1st April 2020 to 31st March 2021 revenue on 6,902 transactions, this includes Kiosk
- (811 Loomis cash collections during the year to 31st March 2021)

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 20/21
BV9:CTAX Collected	97.65%	97.76%	97.50%	97.70%	97.79%	97.93%	98.04%	98.00%	97.86%	96.51%

The 2019/20 debt carried forward at the 1st 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-summused Debt	
Finals	£400,026.72
Un-summused	£694,945.09
Total	4,897,521.05

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

The balance of the total 2019/20 debt outstanding as at the 31st March 2021 is £3,637,344.21 a reduction of £1,260,176.84.

Council Tax Arrears Breakdown as at 31st March 2021

	Arrears B/F 31.03.2020	Arrears carried forward	Net reduction	Actual % collection
1998	£384.89	111.92	£272.97	
1999	£8.97	0	£8.97	
2000	£2,837.58	£2,826.81	£10.77	
2001	£9,180.51	£7,040.76	£2,139.75	
2002	£18,562.19	£15,476.74	£3,085.45	
2003	£29,373.47	£26,424.33	£2,949.14	
2004	£37,897.21	£34,329.95	£3,567.26	
2005	£60,856.92	£50,990.74	£9,866.18	
2006	£92,649.51	£79,114.41	£13,535.10	
2007	£118,820.19	£109,187.78	£9,632.41	
2008	£153,220.53	£135,208.85	£18,011.68	
TOTAL	£523,791.97	£460,712.29	£63,079.68	12.04%
2009	£177,522.47	£160,718.94	£16,803.53	9.47%
2010	£217,068.30	£198,976.56	£18,091.74	8.33%
2011	£275,722.53	£254,618.00	£21,104.53	7.65%
2012	£359,346.77	£339,000.21	£20,346.56	5.66%
2013	£585,632.18	£534,638.88	£50,993.30	8.71%
2014	£752,041.09	£686,555.34	£65,485.75	8.71%
2015	£963,191.92	£883,524.41	£79,667.51	8.27%
2016	£1,276,545.41	£1,158,181.02	£118,364.39	9.27%
2017	£1,750,637.73	£1,563,950.44	£186,687.29	10.66%
2018	£2,637,420.79	£2,289,063.60	£348,357.19	13.21%
2019	£4,897,521.05	£3,637,344.21	£1,260,176.84	25.73%
TOTAL	£14,416,442.21	£12,167,283.90	£2,249,158.31	

Appendix 2

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

NDR 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
Total	£1,840,994.40

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 **31/03/21** **£2,858,674.12**

Reduction in Overall arrears **£441,050.96**

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 20/21
BV10: Rates Collected	98.81%	98.72%	98.70%	98.80%	99.05%	98.87%	98.53%	98.53%	98.03%	91.89%

The amount of collectable debt raised for the year 2020/21 is **£98.93 million** in respect of 7,483 properties.

There have been 1,063 refunds actioned from the 1st April 2020 to the 31st March 2021 amounting to **£7,036,637.18** 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	31/03/21
Reminders Issued	2,536	4,023	3,545	4,445	4,263	4,288	3,525	3,245	3,447	1,803
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	0

The suspension of court hearings in March 2020, which was in response to the national lockdown, meant that no Summonses, Liability Orders or 14 day letters were issued during the year.

Business Rates Arrears breakdown as at 31st March 2021

	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	£7,659.01	-£3,756.64	32.91%
2011	£17,763.66	£8,689.02	-£9,074.64	51.09%
2012	£45,096.04	£28,475.03	-£16,621.01	36.86%
2013	£48,379.15	£40,003.31	-£8,375.84	17.31%
2014	£75,580.35	£71,719.80	-£3,860.55	5.11%
2015	£88,970.89	£80,005.44	-£8,965.45	10.08%
2016	£186,048.94	£161,495.10	-£24,553.84	13.20%
2017	£366,700.81	£397,476.67	£30,775.86	-8.39%
2018	£614,115.27	£573,791.39	-£40,323.88	6.57%
2019	£1,840,994.40	£1,487,140.03	-£353,854.37	19.22%
	£3,299,725.08	£2,858,674.12	-£441,050.96	

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

Appendix 2

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2020 to 31st March 2021:

Civic Centre Total	Transactions including Kiosk
£5,982,102	6,902

Payroll Data:

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

	Monthly	Annually
Non-Teaching/Teaching	2,554	30,651
Pensions	5,355	64,264

