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**Decision Maker:** EXECUTIVE, RESOURCES AND CONTRACTS POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 23 June 2021

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** REVENUES SERVICE MONITORING REPORT

**Contact Officer:** Jayne Carpenter, Revenues and Benefits Manager  
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**Chief Officer:** Peter Turner, Director of Finance

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the period 1 December 2020 to 31 March 2021. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, provides an update on each of the individual service and is attached Appendix 1 with statistical data relating to the Revenues Service attached at Appendix 2.

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2. **RECOMMENDATION(S)**

The PDS is requested to:

- to note the information contained within the report and the letter provided by Liberata detailed in Appendices 1 & 2
- to consider the recommendation that the decision to increase to the Empty Homes Premium is deferred until 2022/23
- to note the reasons for the postponement of the Academy and Information and Work systems review, and that a report will be presented to the Executive later in the year seeking delegated authority for the renewal of the contracts.

2.1 The Portfolio Holder to approve the deferral of the decision to increase the Empty Homes Premium to 2022/23

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Revenues Service impacts on all residents in the Authority including vulnerable adults/and those with children.
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
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### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Exchequer - Revenues
  4. Total current budget for this head: £2.96m
  5. Source of funding: Existing Revenue Budget for 2020/21
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### Personnel

1. Number of staff (current and additional): 2 plus Liberata staff
  2. If from existing staff resources, number of staff hours: Existing Revenue budget for 2020/21
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### Legal

1. Legal Requirement:  
Local Government Finance Act 1988  
The Council Tax (Administration and Enforcement) Regulations 1992  
The Local Government Finance Act 2012  
Rating Law and Practice; England and Wales  
LGPS Regulations 2013
  2. Call-in: Not Applicable
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### Procurement

1. Summary of Procurement Implications: The Revenues Service forms part of the Exchequer Services contract
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Services covered in this report affect all the Council Tax payers, Business Rates payers, Members and Pensioners, this could be estimated to 150,000 households.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

- 3.1 The Exchequer Services team monitors the contract, sets targets and performance standards. Liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. The Heads of Service of Liberata and Bromley meet regularly to deal with escalated issues, review policies and develop new ideas.

#### 3.3 **Council Tax**

##### **Collection**

The in-year Council Tax collection rate for the year to 31 March 2021 was 96.51% which was a 1.35% reduction on that achieved in the previous year. The collection figure was affected by the suspension of recovery action which followed the national lockdown in March 2020. This meant that all activity from Enforcement Agents was suspended, no court summonses were issued and payment deferrals of up to 3 months were offered to residents in financial difficulties.

Issuing of reminder letters re-commenced in July and the use of Enforcement Agents was restarted during September. Their work was then placed on hold again during the November national lockdown. No court hearings were held between February 2020 and 31 March 2021 and as a result we had been unable to issue any summonses/liability orders or hold any summons surgeries in conjunction with the Citizens Advice Bureau (CAB).

We have recently taken part in our first “virtual” court hearing. Court dates have now been obtained for 2021 and recovery action has re-commenced.

Of the 33 London authorities that declared their in-year recovery rate for 2020/21, Bromley’s performance was the 5<sup>th</sup> highest.

The collection rate on current year and arrears was 96.01% which was a 1.84% adverse variance when compared to the last financial year.

##### **Number of properties on the Council Tax register**

At the 31 March 2021 the number of properties registered for Council Tax was 141,911. The table below shows the number of properties by Council Tax “band” and the number in receipt of Single Person Discount (SPD):

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>Total</b>
Number of properties	2,006	10,389	30,068	36,315	29,445	18,249	13,796	1,643	141,911
Number of properties with SPD	1,166	6,067	13,357	11,011	6,696	3,313	1,928	139	43,677

In comparison to last year, the number of registered properties has increased by 428 and the number receiving SPD has increased by 746.

## Single Person Discount review

The accounts in receipt of SPD are regularly reviewed. The 2020/21 review finished in February 2021 and resulted in SPD being removed from 428 accounts which equated £169,784.60. The next review is due to commence at the end July 2021.

## Direct Debit

Council Tax can be paid by direct debit on either 1<sup>st</sup> or 15<sup>th</sup> of the month and over 10 or 12 months. On average 68.08% of the accounts where there is liability to pay are paid by this method compared to 68.93% in 2019/20. The reduction has been attributed to the pandemic.

## Empty Homes Premium

The Executive at their meeting of the 27 November 2019 approved the introduction of the Empty Homes Premium (EHP) from the 1 April 2020. For properties empty longer than two years a 50% premium was to be levied, increasing to 100% once the property had been empty for five years.

At the 1 April 2020, 289 properties had an EHP applied.

At the 31 March 2021 an EHP was applied to 323 properties. The table below shows the long-term empty properties by Council Tax band:

Band	A	B	C	D	E	F	G	H	Total
Number of properties	13	66	93	85	31	19	13	3	323

The small increase that transpired in the financial year has mainly been attributable to the pandemic's impact on the housing market, both in respect of sales and development/repair.

A report to the 13 January 2021 meeting of the Executive proposed the increase of the EHP from the 1 April 2021 to 100% being levied for properties empty over 2 years, increasing to 200% after 5 years and 300% after 10 years.

The Executive decided to defer the decision for one year in recognition of the ongoing impact of the pandemic.

The level of communication being received against the EHP indicates that difficulties are still being experienced with sales and developments/repairs and it is therefore recommended that the decision on increasing the EHP is deferred for a further year in recognition of the pandemic's continuing affect.

## 3.4 Business Rates

The in-year Business Rates collection rate for the period ended 31 March 2021 was 91.89% which was down by 6.14% on the previous year. Like Council Tax, collection was adversely affected by the impact of Covid19 and the suspension of recovery action.

The collection rate for current years and arrears was 82.07%, which was a 13.61% decrease compared to the previous financial year.

Of the 33 London authorities that declared their in-year recovery rate for 2020/21, Bromley's performance was 12th.

As at the 31 March 2021 there were 7,507 properties registered for Business Rates an increase of 75 on the figure as at the 31 March 2020.

### 3.5 **Cashiers**

The number of payments received, including amounts received via either of the payment kiosks, or by post, was lower than in previous years. This was due to the closure of the Civic Centre and the Penge Library. As a result, £5,982,102 (6,902 transactions) were taken compared to £10,898,516 (28,168 transactions) for the previous year.

### 3.6 **Payroll**

The number of payments made in March 2021 was as follows;

LBB General/Schools	2,575
Pensions	5,382

For the period 1 April to 31 March 2021, Liberata achieved 99.98% accuracy.

### 3.7 **Pensions**

Membership numbers recorded on the pension administration system as at 31 March 2021 were 6,411 actives, 6,665 deferred and 5,669 pensioners.

Liberata have provided assurance that all pension entitlement and benefits are calculated and paid in accordance with Legislation and the Local Government Pension Scheme Regulations.

### 3.8 **Academy and Information@Work**

The Academy system is provided by Capita Business Services Limited and is used for the assessment and payment of Housing Benefit and Council Tax Support claims for an estimated 18,152 claimants per annum. The system is also used for the billing and collection of Council Tax and Business Rates of £332m per annum.

The cost of the system for 2020/21 is £179,108 with a total value of £1.73m

The Information@Work system is provided by Northgate Public Services Limited and is a document management and workflow system used in conjunction with the Academy system. The cost of the system for 2020/21 is £4,276.50 with a total value of £0.098m.

The agreements held with Capita and Northgate are annual rolling agreements with a six months' notice period for termination of the agreement.

Both are key systems used by the Council's contractor Liberata in the provision of the Exchequer Service Contract which commenced on 1<sup>st</sup> April 2020. The contract includes a provision for a review of several IT systems including Academy and Information@Work within 12 months of the commencement of the contract.

Liberata staff and officers from the Exchequer Client Unit have been responsible for the administration of the Covid-19 business grants and Isolation payments since April 2020 which has meant there has been no capacity to carry out a review of these systems. However, we are now in discussion with Liberata regarding proposals for the review.

The Council's Contract Procedure Rules require Member authorisation for further annual renewal of the Academy system agreement. A report will be presented to the Executive later in the year to seek delegated authority to renew both agreements with an intent to carry out a full system review in due course and present a Gateway Report setting out the commissioning strategy.

#### 4. FINANCIAL IMPLICATIONS

4.1 This report refers to significant income collection undertaken through the Exchequer Service contract with Liberata. For 2020/21 the key financial elements of the Revenues Service are;

- £233m - annual Council Tax raised
- £98.9m – annual Business Rates raised
- £68.2m – gross amount paid in staff salaries (inclusive of Schools but excluding Academies) for the period 1 April 2020 to 31 March 2021
- £30.5m – gross amount paid in Pensions for the period 1 April to 31 March 2021
- £5.98m - revenue on 6,902 transactions for the period 1 April 2020 to 31 March 2021 (including kiosks)

#### 5. LEGAL IMPLICATIONS

5.1 This is a contract monitoring report pursuant to CPR23. There are no specific legal implications raising from this report.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children, Policy, Personnel and Procurement
Background Documents: (Access via Contact Officer)	