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

Date: Wednesday 5 January 2022

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);

1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the period 1 April to 30 November 2021. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, provides an update on each of the individual services 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

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: £2.99m
 5. Source of funding: Existing Revenue Budget for 2021/22
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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 2021/22
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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 30 November 2021 was 74.67% which was a 0.14% reduction on that achieved in the previous year and is 1.69% down against collection at the 30 November 2019.

Whilst we continue to take part in “virtual” court hearings the collection figure has been adversely affected by the Courts restriction on the number of summonses we were allowed to issue for each hearing.

The summons restriction has reduced the number of liability orders we are able to obtain. Without a liability order we are unable instruct Enforcement Agents to recover the debt. To proactively increase collection, we have issued additional reminder letters. SMS messages have also been sent encouraging residents to contact us to make payment arrangements.

In order to improve collection, the Assistant Director wrote to HMCTS asking for an increase in the amount of summons that can be issued for both Council Tax and Business Rates. An increase has been approved which will take effect in January 2022.

The collection rate on current year and arrears was 74.40% which was a 0.22% adverse variance when compared to the last financial year and 2.05% down against the same time in 2019.

There is no published benchmarking data available on collection figures until the end of the financial year.

Number of properties on the Council Tax register

At the end of November 2021, the number of properties registered for Council Tax was 142,119. The table below shows the number of properties by Council Tax “band” and the number in receipt of Single Person Discount (SPD):

Band	A	B	C	D	E	F	G	H	Total
Number of properties	2,015	10,388	30,134	36,283	29,484	18,323	13,830	1,662	142,119
Number of properties with SPD	1,165	6,175	13,632	11,144	6,729	3,434	1,981	137	44,397

In comparison to last year, the number of registered properties has increased by 225 and the number receiving SPD has increased by 790.

Single Person Discount review

The accounts in receipt of SPD are reviewed annually and is being done in partnership with a credit reference agency using a “residency checker service” that allows us to undertake a data matching exercise on our live SPD accounts. This year’s review has commenced, and 5756 accounts have been identified for review.

Direct Debit

Council Tax can be paid by direct debit on either 1st or 15th of the month and over 10 or 12 months. On average 69.9% of the accounts where there is liability to pay are paid by this method compared to 68.08% in 2020/21. The increase is attributed to the on-going direct debit campaign.

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 2021, 323 properties had an EHP applied to them.

At the 30 November 2021 an EHP was applied to 303 properties. The table below shows the long-term empty properties by Council Tax band and by the number of years they have been empty for:

Band	A	B	C	D	E	F	G	H	Total
Number of properties to which an EHP is being applied	20	35	105	82	22	18	17	4	303
Number of properties Empty between 2 and 5 years (50% premium)	16	26	82	56	10	14	15	3	222
Number of properties Empty between 5 and 10 years (100% premium)	4	8	16	16	8	1	2	0	55
Number of properties empty over 10 years (100% premium)	0	1	7	10	4	3	0	1	26

The small reduction has been attributed to reinstatement of the housing market after the pandemic.

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. A report will be presented to the Executive later in the year recommending that the increased EHP is applied from 1 April 2023.

3.4 **Business Rates**

The in-year Business Rates collection rate for the period ending 30 November 2021 was 62.39% which was down by 6.56% on the previous year and down 10.60% on 2019. Like Council Tax, collection was adversely affected by the suspension of Court hearings and unlike Council Tax was only resumed in September 2021 with the number of summons being restricted to 25 per hearing. This was increased to 50 per hearing from November 2021 and will be increased to 250 from January 2022.

The collection rate for current years and arrears was 58.88%, which was a 5.34% decrease compared to the previous financial year and 12.58% down at the same time in 2019.

There is no published benchmarking data available on collection figures until the end of the financial year.

As at the 30 November 2021 there were 7,457 properties registered for Business Rates this a reduction of 50 on the figure as at the 30 November 2020.

The table below shows the number of premises by their current rateable value:

Business size based on rateable value	Number of properties
Less than £15k (small)	4507
Between £15k and £49,999 (medium)	1965
Over £50,000 (large)	985
Total	7457

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 where the kiosks are situated. As a result, for the period April to November 2021, payments equating to £5,087,675 (6,641 transactions) were taken compared to £4,358,692.60 (5,854 transactions) for the period last year.

3.6 **Payroll**

The number of payments made in November 2021 was as follows:

LBB General/Schools	2,642
Pensions	5,464

For the period April to November 2021, Liberata achieved 99.96% accuracy.

3.7 **Pensions**

Membership numbers recorded on the pension administration system as at 30 November 2021 were 6,182 actives, 6,955 deferred and 5746 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.

4. **FINANCIAL IMPLICATIONS**

4.1 This report refers to significant income collection undertaken through the Exchequer Service contract with Liberata. For 2021/22 the key financial elements of the Revenues Service are:

- £247.6m - annual Council Tax raised
- £75.7m – annual Business Rates raised
- £47.9m – gross amount paid in staff salaries (inclusive of Schools but excluding Academies) for the period 1 April 2020 to 30 November 2021
- £20.4m – gross amount paid in Pensions for the period 1 April to 30 November 2021
- £5.09m - revenue on 6,641 transactions for the period 1 April to 30 November 2021 (including kiosks)

5. **POLICY IMPLICATIONS**

5.1 One of the “Making Bromley Even Better” ambitions is to manage our resources well, providing value for money, efficient and effective services for Bromley’s residents. To achieve this, we will ensure robust contract management with a focus on efficiency and innovation to improve services for Bromley residents.

6. **LEGAL IMPLICATIONS**

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

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