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Dear Claudine,

As we approach the January 2022 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 eight month period ended 30th November 2021.

Council Tax

The in-year collection for the period was 74.67% which was equivalent to £174.32m of cash collected. The collection rate was 0.14% lower than the previous year and was 1.69% lower than the last pre-pandemic period end of November 2019. Our in year collection has been hampered by the knock on effects of the suspension of all court activity during 2020 which was as a result of the Coronavirus. These new 'virtual' court hearings only recommenced during 2021 which meant that there was a backlog of older out of year debt cases that needed to be cleared. In addition the courts imposed strict caps on the number cases that we could have at each hearing which further hampered the speed with which we could obtain liability orders for in year debtors.

In Year Collection

	30/11/2021	30/11/2020	Variance
In Year	£m	£m	£m
Net collectable Debt	£233.46	£217.93	£15.53
Amount collected	-£174.32	-£163.03	£11.29
Debt remaining	£59.14	£54.90	
Collection Rate	74.67%	74.81%	-0.14%

The all-years collection figure achieved was 74.40% which was a decrease of 0.22% compared to the previous year.

All Years Collection

	30/11/2021	30/11/2020	Variance
All Years	£m	£m	£m
Net collectable Debt	£238.67	£221.10	£17.57
Amount collected	-£177.58	-£164.99	£12.59
Debt remaining	£61.09	£56.11	
Collection Rate	74.40%	74.62%	-0.22%

We have continued to see an increase in the number of residents signing up for an online MyBromley Account in order to access online services. During the eight month period over 13,000 residents registered for an account bringing the total number of accounts held to over 98,000. This growth reflects both the increasing popularity by residents to interact with the Council in this way as well as the increasing variety of tasks that can now be undertaken using a MyBromley Account. In July the Discounts and Exemptions module went live meaning that residents can now apply for Single Persons Discounts, as well as other exemptions, online.

Business Rates

The in-year collection rate to 30th November was 62.39% which was down by 6.56% compared to the previous year's figure and was down by 10.60% compared to the same period in 2019. As detailed in the Council Tax comments above our collections here were also impacted by court suspensions and the restrictions on case numbers once the hearings had recommenced. In addition 2021 saw the introduction of a new Retail and Nursery Relief which offered additional business rates support for eligible retail, hospitality, leisure, and nursery businesses. This gave 100% rates relief to eligible businesses for the period 1st April 2021 to 30th June 2021 with the relief falling to 66% for the period 1st July 2021 to 31st March 2022, then. Due to the timing of the announcement of this relief the Academy system was unable to cope with issuing one bill during the annual billing process that would correctly show the amount due by the businesses for the 2021/22 year. Instead we agreed to issue bills showing the 100% relief for the year to all of the affected businesses, with an insert explaining that the relief would automatically be adjusted with a new bill being

issued to show the revised payments due from 1st July 2021. As a result an extra £24.09m was added to the Net Collectable Debt (NCD) figure in July which increased it by 46% from £52.19m to £76.28m. The repayments for this additional £24.09m were then spread over the remainder of the year from August 2021 to February or March 2022, depending on the businesses normal instalment profile.

In Year Collection:

	30/11/2021	30/11/2020	Variance
In Year	£m	£m	£m
Net collectable Debt	£75.75	£41.00	£34.75
Amount collected	-£47.26	-£28.27	£18.99
Debt remaining	£28.49	£12.73	
Collection Rate	62.39%	68.95%	-6.56%

The all year's collection rate for the period was 58.88%, which is a fall of 5.34% on the previous year.

All Years Collection Rate:

	30/11/2021	30/11/2020	Variance
All Years	£m	£m	£m
Net collectable Debt	£81.17	£41.50	£39.67
Amount collected	-£47.79	-£26.65	£21.14
Debt remaining	£33.38	£14.85	
Collection Rate	58.88%	64.22%	-5.34%

In consultation with Council Officers a debt recovery plan was implemented during this period which covered both Council Tax and Business Rates. The aim was to clear the backlog of historic debt cases caused by Coronavirus and increase the in year collection rates to pre-pandemic levels. The tasks undertaken included the issuing of additional 'soft reminder' letters and 'pay up' SMS reminders to residents where we were unable to issue Final Reminder letters and then a Court Summons. We also liaised with a firm of Solicitors to issue letters to debtors where liability orders had previously been obtained but the debts were still outstanding. In these cases the letters threatened further recovery action including bankruptcy, attaching charging orders to property and potentially forcing sale of the property unless the debts were cleared. This was to encourage either payment of outstanding balances or the setting up or payment plans. In addition we started a Direct Debit promotional campaign in September in order to encourage its usage by residents. We have also been working with the Council to lobby the courts to increase the number of cases

we can bring to each hearing. These currently stand at 1,500 for Council tax and 50 for Business Rates.

Cashiers

We collected £5.09m during the year which covered 6,641 transactions and included amounts taken via the kiosks, post and central income. Although the amounts are an increase on last year they are still down on pre-pandemic levels which saw £7.21m taken in six months to the end of September 2019 which covered 15,752 transactions. This is further evidence of residents moving to online methods of payments.

Pensions and Payroll

The Pension Team achieved an average of 96.47% service level compliance over the year to 30th November 2021. The Payroll Team also continued to provide a valued service with an average accuracy rate of 99.96% across the Council's Corporate, Schools and Pensions payrolls.

Impact of the Coronavirus

As detailed above the Coronavirus has continued to impact our debt recovery service. In addition we also continued to support the Council in administering various business support grants. Although the majority of these have now closed we are still assisting on one of the Additional Restrictions Grant schemes. This is aimed at assisting new businesses that started during the pandemic. We are also awaiting further information on the Material Change in Circumstance Relief which will offer assistance to businesses affected by the Coronavirus but which are outside of the retail, hospitality and leisure sectors and so did not benefit from retail relief. Once more details on this relief are known we will see how we can assist the Council with its implementation and administration. One of the effects of the Coronavirus has been the increase in the numbers of residents interacting with the Council online. This can be seen by the increase in the number of MyBromley accounts, which now represents over 70% of households on the borough. As such we will be looking to increase this interaction by launching a Channel Shift Programme for our Revenues and Benefits service in early 2022. The aim will be to double the number of digitally received documents from residents and businesses from the current level of 30% to 60% by June 2022. This will help drive a reduction in processing times by allowing us to introduce more automation.

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 (2021/22 figures):

- **£247.67 million** – Annual amount of Council Tax raised
- **£75.70 million** – Annual amount of Business Rates raised
- **£14.31 million** – Annual payment of Council Tax Support
- **£90 million** - Annual payment of Housing Benefit – estimated
- **£47.96 million** – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period from 1st April 2021 to 30th November 2021
- **£20.4 million** – Payment of Pensions from 1st April 2021 to 30th November 2021
- **£5.09 million** – 1st April 2021 to 30th November 2021 revenue on 6,641 transactions, this includes Kiosk (577 Loomis cash collections during the eight months to 30th November 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	Actual 01/04/21 to 30/11/21
BV9:CTAX Collected	97.65%	97.76%	97.50%	97.70%	97.79%	97.93%	98.04%	98.00%	97.86%	96.51%	74.67%

Appendix 2

Actual 30th November 2021 – 74.67%

The amount of collectable debt raised for the year 2021/22 was **£247,67m** in respect of **141,912** properties.

191 Cheque refunds and **4,687** BACs refunds totalling **£1,814,225.57** have been issued from 1st April 2021 to 30th November 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	Actual 01/04/21 to 30/11/21
Reminders	51,920	45,816	56,256	54,745	52,125	55,553	78,657	63,387	57,196	54,201	51,183
Summonses	16,436	16,168	19,267	13,158	9,543	14,052	10,755	9,375	9,561	0	7,597
Liability Orders	9,396	10,868	9,999	8,645	8,337	10,338	9,115	8,105	8,606	0	4,602
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	5,800

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 2020/21 year.

The 2020/21 debt carried forward at the 1st April 2021 was £7,607,043.18

Council Tax - Summoned Debt	
Summonses / costs	
Arrangement	£696,420.97
Bailiff /14 DAY	
Attachment	
Bankruptcy	
Liability	
Un-summoused Debt	
Finals	
Un-summoused	£6,910,622.21
Total	£7,607,043.18

The breakdown analysis of the total 2020/21 debt outstanding at the 1st April 2021 of £7,607,043.18 is shown above.

The balance of the total 2020/21 debt outstanding as at the 30th November 2021 is £5,132,186.89 a reduction of £2,474,856.29.

As mentioned on the previous page, all court hearings were suspended during 2020/21 as a result no summonses could be issued and so no liability orders were granted. Instead recovery work was focussed on obtaining arrangements from debtors to pay their outstanding balances. The amount shown above of £696,420.97 is 95% higher than the previous year's figure.

Council Tax Arrears Breakdown as at 30th November 2021

	Arrears B/F 31.03.2021	Arrears carried forward	Net reduction	Actual % collection
1997	£61.37	£52.04	£9.33	
1998	111.92	£0.00	£111.92	
2000	£2,826.81	£2,516.54	£310.27	
2001	£7,040.76	£6,616.80	£423.96	
2002	£15,476.74	£14,363.00	£1,113.74	
2003	£26,424.33	£25,646.96	£777.37	
2004	£34,329.95	£31,157.25	£3,172.70	
2005	£50,990.74	£47,719.25	£3,271.49	
2006	£79,114.41	£71,997.06	£7,117.35	
2007	£109,187.78	£102,178.63	£7,009.15	
2008	£135,208.85	£123,766.03	£11,442.82	
TOTAL	£460,773.66	£426,013.56	£34,760.10	7.54%
2009	£160,718.94	£151,679.19	£9,039.75	5.62%
2010	£198,976.56	£184,552.10	£14,424.46	7.25%
2011	£254,618.00	£242,024.97	£12,593.03	4.95%
2012	£339,000.21	£326,046.51	£12,953.70	3.82%
2013	£534,638.88	£504,983.32	£29,655.56	5.55%
2014	£686,555.34	£644,805.03	£41,750.31	6.08%
2015	£883,524.41	£841,195.58	£42,328.83	4.79%
2016	£1,158,181.02	£1,100,615.50	£57,565.52	4.97%
2017	£1,563,950.44	£1,477,718.52	£86,231.92	5.51%
2018	£2,289,063.60	£2,133,642.60	£155,421.00	6.79%
2019	£3,637,344.21	£3,206,769.19	£430,575.02	11.84%
2020	£7,607,043.18	£5,132,186.89	£2,474,856.29	32.53%
TOTAL	£19,774,388.45	£16,372,232.96	£3,402,155.49	

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	Actual 01/04/21 to 30/11/21
BV10:Rates Collected	98.81%	98.72%	98.70%	98.80%	99.05%	98.87%	98.53%	98.53%	98.03%	91.89%	62.39%

The amount of collectable debt raised for the year 2021/22 is **£75.70 million** in respect of 7,527 properties.

There have been 489 refunds actioned from the 1st April 2021 to the 30th November 2021 amounting to **£2,275,339.97** 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	Actual 01/04/21 to 30/11/21
Reminders Issued	2,536	4,023	3,545	4,445	4,263	4,288	3,525	3,245	3,447	1,803	4,504
Final Notices Issued	1,741	2,014	2,472	2,353	1,560	1,960	1,985	1,312	2,201	0	791
Summonses Issued	1,156	987	1,091	1,053	535	1,123	768	601	429	0	70
Liability Orders	749	683	771	734	411	525	522	550	438	0	26
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	No longer used	No longer used
Accounts passed to Enforcement Agent	537	645	650	444	283	184	159	203	369	0	84

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 2020/21 year.

The **2020/21** debt carried forward at 1st April 2021 was **£3,241,994.14**

NDR recovery stage	Amount
Un-summonsed	£940,853.04
Arrangement	£216,567.17
Enforcement Agent	
Final	
Liability	
Reminders	2,084,573.93
Summonsed	
Total	£3,241,994.14

Movement in arrears for reporting period –

Arrears total 2001 - 2020/21 as at **01/04/21** **£6,101,864.16**

Arrears total 2001 - 2020/21 as at **30/11/21** **£4,642,219.48**

Reduction in Overall arrears **£1,459,644.68**

Business Rates Arrears breakdown as at 30th November 2021

	Arrears B/F 31.03.2021	Arrears carried forward	Net reduction	Actual % collection
2001	£137.94	£137.94	£0.00	
2008	£1,143.35	£1,143.35	£0.00	
2009	£938.03	£938.04	-£0.01	
2010	£7,659.01	£8,919.26	-£1,260.25	-16.45%
2011	£8,688.92	£6,399.62	£2,289.30	26.35%
2012	£28,475.03	£32,301.95	-£3,826.92	-13.44%
2013	£40,003.31	£44,117.37	-£4,114.06	-10.28%
2014	£71,719.80	£77,169.50	-£5,449.70	-7.60%
2015	£80,005.44	£72,309.88	£7,695.56	9.62%
2016	£161,495.10	£141,952.72	£19,542.38	12.10%
2017	£397,476.67	£394,734.74	£2,741.93	0.69%
2018	£573,791.39	£558,560.22	£15,231.17	2.65%
2019	£1,488,336.03	£1,255,810.49	£232,525.54	15.62%
2020	£3,241,994.14	£2,047,724.40	£1,194,269.74	36.84%
	£6,101,864.16	£4,642,219.48	£1,459,644.68	

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 2021 to 30th November 2021:

Civic Centre Total	Transactions including Kiosk
£5,087,675	6,641

Payroll Data:

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

	Monthly	Annually
Non-Teaching/Teaching	2,635	31,620
Pensions	5,419	65,028

