

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

Date: Wednesday 22 June 2022

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

Title: REVENUES MONITORING REPORT

Contact Officer: Jayne Carpenter, Revenues and Benefit Manager
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Chief Officer: Director of Finance

Ward: All Wards

1. Reason for decision/report and options

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the period 1 December 2021 to 31 March 2022. 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)**

2.1 **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 adults/and those with children.

Transformation Policy

1. Policy Status: Existing Policy
2. Making Bromley Even Better Priority (delete as appropriate):
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

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

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

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

Procurement

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

Property

1. Summary of Property Implications: Not Applicable

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable

Customer Impact

1. Estimated number of users or customers (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.

Ward Councillor Views

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

3. COMMENTARY

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.

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.

3.1 Council Tax

Collection

The in-year Council Tax collection rate for the year to 31 March 2022 was 96.81% which was a 0.31% increase on that achieved in the previous year and is 1.04% down against collection at the of 31 March 2020 (pre-pandemic).

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 was approved which took effect in January 2022.

The collection rate on current year and arrears was 96.46% which was a 0.45% favourable variance when compared to the last financial year and 1.39% down against the same time in 2020 (pre- pandemic).

There is currently no published benchmarking data on collection figures. The information will be circulated as soon it is available.

Number of properties on the Council Tax register

At the end of March 2022, the number of properties registered for Council Tax was 142,203. The table below shows the number of properties by Council Tax “band” and the number in receipt of

Band	A	B	C	D	E	F	G	H	Total
Number of properties	2,028	10,402	30,130	36,261	29,487	18,360	13,861	1,674	142,203
Number of properties with SPD	1,206	6,205	13,688	11,224	6,785	3,478	1,991	145	44,722
%	59%	60%	45%	31%	23%	19%	14%	9%	31%

In comparison to last year, the number of registered properties has increased by 232 and the number receiving SPD has increased by 1,042.

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. The 2021/22 data match identified 5,756 accounts for review, 5633 have been completed. There are 123 accounts left which require further investigation. So far 787 accounts have the SPD removed.

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 where we are exploring new ways of further increasing the level of direct debits.

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 has been empty for five years.

At the 1 April 2021, 323 properties had an EHP applied to them.

At the 31 March 2022 an EHP was applied to 350 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	19	52	113	87	32	22	21	4	350
Number of properties Empty between 2 and 5 years (50% premium)	15	42	89	62	22	18	19	2	269
Number of properties Empty between 5 and 10 years (100% premium)	4	9	17	15	6	1	2	1	55
Number of properties empty over 10 years (100% premium)	0	1	7	10	4	3	0	1	26

The small increase has been attributed to suspension of the housing market during 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 on 3 August 2022 recommending that the increased EHP is applied from 1 April 2023.

3.2 Business Rates

The in-year Business Rates collection rate for the period ending 31 March 2022 was 95.47% which was up by 3.58% on the previous year but still down by 2.56% on 2020. Like Council Tax, collection was adversely affected by the suspension of Court hearings but unlike Council Tax these were only resumed in September 2021 with the number of summonses being restricted to 25 per hearing. This was increased to 50 per hearing from November 2021, with a further increase to 250 from January 2022.

The collection rate for current years and arrears was 90.62%, which was an 8.55% increase when compared to the previous financial year but down 5.08% at the same time in 2020.

There is currently no published benchmarking data available on collection figures. It will be circulated as soon as it is available.

As at the 31 March 2022 there were 7,436 properties registered for Business Rates this a reduction of 21 on the figure as at the 31 March 2021.

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)	4,495
Between £15k and £49,999 (medium)	1,968
Over £50,000 (large)	973
Total	7,436

3.3 Cashiers & Cash collection

The number of payments received, including amounts received via either of the payment kiosks, or by post, was higher than last year. During the pandemic cash collection was affected by closure of the Civic Centre and the Penge Library where the kiosks are situated. For the period April 2021 to 31 March 2022, payments equating to £6,289,973 (9,396 transactions) were taken compared to £5,982,102 (6,902 transactions) for the previous year.

Since April 2021 there has been a reduction in the number of sites taking cash reducing from 5 to 3. This has reduced the cost of collections by 16% to £15,633 for 2021/22 and is estimated to reduce by a further 45% in 2022/23.

3.4 Payroll

The number of payments made in March 2022 was as follows:

LBB General/Schools	2,665
Pensions	5,472

For the period April 2021 to 31 March 2022, Liberata achieved 99.99% accuracy.

3.5 Pensions

Membership numbers recorded on the pension administration system as at 31 March 2022 were 6,385 actives, 7,007 deferred and 5,790 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 were:

- £247.6m - annual Council Tax raised
- £75.7m – annual Business Rates raised
- £72.38m – gross amount paid in staff salaries (inclusive of Schools but excluding Academies) for the period 1 April 2021 to 31 March 2022
- £30.69m – gross amount paid in Pensions for the period 1 April 2021 to 31 March 2022
- £6.30m - revenue on 9,396 transactions for the period 1 April 2021 to 31 March 2022 (including kiosks)

5. TRANSFORMATION/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.

7. CUSTOMER IMPACT

7.1 The Revenues Services impacts of a wide variety of customers which include residents, staff and pensioners.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

As part of the initiative to achieve greener ICT Liberata moved their systems to data centres compliant with ISO 14001 standards, an internationally agreed standard that sets out the requirements for an environmental management system. This helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.

The MyBromley account software supports 7268 subscribers to e-billing, reducing paper production and postal service reliance. Officers continue to work with Liberata on projects to increase back-office automation and further reduce paper volumes.

Liberata also supports staff to volunteer for local organisations, such as Age Concern befriending scheme.

Non-Applicable Headings:	Impact on Vulnerable Adults and Children, Personnel, Procurement, Property and Ward Councillors views
Background Documents: (Access via Contact Officer)	