

# Liberata

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Our Ref: AIF/RJ

Dear Claudine,

As we approach the June 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 year ended 31<sup>st</sup> March 2022.

## Council Tax

We achieved an in-year collection figure of 96.82% which represented cash of £226.0m. This was 0.31% higher than for 2021 but was still down against 2020, pre-pandemic, levels by 1.04%. Performance for the current year continued to be affected by the Coronavirus. Although previously imposed restrictions on recovery action were removed during the year we were faced with a backlog of cases whilst still facing strict limits on the number of cases we could bring to court in order to obtain a liability order. This resulted in cases being brought to court much later than we would have wanted meaning that the outstanding balances, rather than being cleared during the year under review, had to spill over into the 2022/23 year. We sought to counter the impact of this by increasing the number of 'soft' reminder letters and the frequency of SMS reminder texts and emails being issued to debtors.

### In Year Collection

|                        | 31/03/2022   | 31/03/2021   | Variance |
|------------------------|--------------|--------------|----------|
| In Year                | £m           | £m           | £m       |
| Net collectable Debt   | £233.42      | £217.88      | £15.54   |
| Amount collected       | -£226.00     | -£210.26     | £15.74   |
| Debt remaining         | <u>£7.42</u> | <u>£7.62</u> |          |
| <b>Collection Rate</b> | 96.82%       | 96.51%       | 0.31%    |

We achieved an all year's collection rate of 96.48%. Once again this was up on the last year, by 0.47%, but was still down on the last pre-pandemic rate in 2020 by 1.39%.

### All Years Collection

|                        | 31/03/2022   | 31/03/2021   | Variance |
|------------------------|--------------|--------------|----------|
| All Years              | £m           | £m           | £m       |
| Net collectable Debt   | £238.50      | £220.90      | £17.60   |
| Amount collected       | -£230.10     | -£212.08     | £18.02   |
| Debt remaining         | <u>£8.40</u> | <u>£8.82</u> |          |
| <b>Collection Rate</b> | 96.48%       | 96.01%       | 0.47%    |

The MyBromley Account remains a popular feature with residents as it allows them to not only view their Council Tax account online but also notify us a change in address, set up a direct debit or apply for a discount or exemption. This allows residents to effectively 'self-serve' 24/7 resulting in a better customer experience. During the year over 21,000 new MyBromley Accounts were created meaning that as at the end of April there were over 107,000 active accounts.

We hope to further drive these number up over the coming year through our Channel Shift program which will increase the promotion of the available self-serve modules to encourage residents to utilise them in place of requesting paper forms to complete and post.

### Business Rates

In-year collection for the year was 95.47% and represented £71.70m of cash. Similar to Council Tax this was an increase on the previous year of 3.58% but was still down on the 2020 pre-pandemic rate by 2.56%. The factors affecting our recovery were the same as those noted in the Council Tax section above. The restriction on cases that could be summonsed, which were imposed by the courts, had a detrimental effect on the timing of our recovery work. At the start of the year we could only take 25 cases to each monthly hearing. This was subsequently increased to 50 in November and then 250 from January 2022. However, it effectively pushed much of our recovery into the 2022/23 year.

### In Year Collection:

|   | 31/03/2022   | 31/03/2021   | Variance |
|---|--------------|--------------|----------|
| In Year   | £m           | £m           | £m       |
| Net collectable Debt                                  | £75.11       | £40.14       | £34.97   |
| Amount collected                                      | -£71.70      | -£36.89      | £34.81   |
| Debt remaining  | <b>£3.41</b> | <b>£3.25</b> |          |
| <b>Collection Rate</b>                                | 95.47%       | 91.89%       | 3.58%    |
| <i>Adjusted if incl outstanding LBB debts as paid</i> | 95.43%       | 92.12%       | 3.31%    |

The all year's collection rate for the period was 90.62%, which is an increase of 8.55% on the previous year.

### All Years Collection Rate:

|                        | 31/03/2022   | 31/03/2021   | Variance |
|------------------------|--------------|--------------|----------|
| All Years              | £m           | £m           | £m       |
| Net collectable Debt   | £80.10       | £39.89       | £40.21   |
| Amount collected       | -£72.59      | -£32.74      | £39.85   |
| Debt remaining         | <b>£7.51</b> | <b>£7.15</b> |          |
| <b>Collection Rate</b> | 90.62%       | 82.07%       | 8.55%    |

In recognition of the need to increase our collection on both Council Tax and Business Rates to pre-pandemic levels and then to surpass them, we have been working with the Council Officers to implement new initiatives that will drive up our recovery. This will see us using third party organisations, such as solicitors, to make active outbound calls to high value debtors to engage and seek repayment as an alternative to launching costly high end recovery. We will utilise system capability to identify regular payers who miss a payment. This will immediately prompt us to contact them to quickly identify any issues and prevent the debt from growing. We are discussing the possibility of sending a summons to businesses after one missed payment rather than using a series of reminders as at present. Similarly on Council Tax we have now started issuing Finals twice a month. Both of these initiatives are designed to engage more quickly with debtors so recovery can take place sooner while the debt is still manageable.

### Cashiers

During the year we collected £6.30m which covered 9,396 transactions and included amounts taken via the kiosks, post and central income. This shows a small increase from 2021 of £0.32m but is still down on the 2020 level by £4.6m. This is reflective

of the fact that Customer Services are now largely an appointment only service, thereby restricting access to the Civic Centre kiosk, and is also indicative of the switch by residents to demonstrating a preference for online methods of payment.

### **Pensions and Payroll**

The Pension Team achieved an average of 96.68% service level compliance over the year to 31 March 2022. The Payroll Team also continued to provide a valued service with an average accuracy rate of 99.99% across the Council's Corporate, Schools and Pensions payrolls.

### **Impact of the Coronavirus**

We have continued to work closely with the Council in order to provide support on various government initiatives. These included the administration and payment of various business support grants for those organisations that had been adversely affected by COVID. We recently completed the administration of the Omicron Hospitality and Leisure Grant and have nearly finished the process of applying reliefs for those businesses eligible for the COVID-19 Additional Relief Fund. We are also currently delivering the Energy Rebate scheme. To do this we have had to use the Academy Revenues system to identify those residents who are eligible for a payment under the Mandatory and/or the Discretionary scheme.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely

*Amanda Inwood-Field*

**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
- **£84.1 million** - Annual gross payment of Housing Benefit - estimated
- **£72.38 million** – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022
- **£30.69 million** – Payment of Pensions from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022
- **£6.30 million** – 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 revenue on 9,396 transactions; this includes Kiosk (686 Loomis cash collections during the year to 31<sup>st</sup> March 2022)

### 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 21/22 |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| BV9:CTAX Collected | 97.65%       | 97.76%       | 97.50%       | 97.70%       | 97.79%       | 97.93%       | 98.04%       | 98.00%       | 97.86%       | 96.51%       | 96.82%       |

**Actual 31<sup>st</sup> March 2022 – 96.82%**

The amount of collectable debt raised for the year 2021/22 was **£247.67m** in respect of **142,203** properties.

**242** Cheque refunds and **6,954 BACs** refunds totalling **£2,666,678.34** have been issued from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

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 | 31/03/22 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Reminders                                  | 51,920   | 45,816   | 56,256   | 54,745   | 52,125   | 55,553   | 78,657   | 63,387   | 57,196   | 54,201   | 63,769   |
| Summonses                                  | 16,436   | 16,168   | 19,267   | 13,158   | 9,543    | 14,052   | 10,755   | 9,375    | 9,561    | 0        | 21,132   |
| Liability Orders                           | 9,396    | 10,868   | 9,999    | 8,645    | 8,337    | 10,338   | 9,115    | 8,105    | 8,606    | 0        | 10,010   |
| 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        | 10,518   |

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 1<sup>st</sup> April 2021 was £7,607,043.18

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

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

The balance of the total 2020/21 debt outstanding as at the 31<sup>st</sup> March 2022 is £4,435,201.47 a reduction of £3,171,841.71.

Council Tax Arrears Breakdown as at 31<sup>st</sup> March 2022

|              | Arrears B/F<br>31.03.2021 | Arrears carried<br>forward | Net reduction        | Actual % collection |
|--------------|---------------------------|----------------------------|----------------------|---------------------|
| 1997         | £61.37                    | £0.00                      | £61.37               |                     |
| 1998         | 111.92                    | £0.00                      | £111.92              |                     |
| 2000         | £2,826.81                 | £2,371.06                  | £455.75              |                     |
| 2001         | £7,040.76                 | £6,262.16                  | £778.60              |                     |
| 2002         | £15,476.74                | £14,328.00                 | £1,148.74            |                     |
| 2003         | £26,424.33                | £24,490.82                 | £1,933.51            |                     |
| 2004         | £34,329.95                | £28,871.85                 | £5,458.10            |                     |
| 2005         | £50,990.74                | £44,877.79                 | £6,112.95            |                     |
| 2006         | £79,114.41                | £67,423.17                 | £11,691.24           |                     |
| 2007         | £109,187.78               | £96,419.11                 | £12,768.67           |                     |
| 2008         | £135,208.85               | £115,752.48                | £19,456.37           |                     |
| <b>TOTAL</b> | <b>£460,773.66</b>        | <b>£400,796.44</b>         | <b>£59,977.22</b>    | <b>13.02%</b>       |
| 2009         | £160,718.94               | £143,235.61                | £17,483.33           | 10.88%              |
| 2010         | £198,976.56               | £174,315.90                | £24,660.66           | 12.39%              |
| 2011         | £254,618.00               | £229,663.44                | £24,954.56           | 9.80%               |
| 2012         | £339,000.21               | £307,619.88                | £31,380.33           | 9.26%               |
| 2013         | £534,638.88               | £473,882.47                | £60,756.41           | 11.36%              |
| 2014         | £686,555.34               | £611,823.64                | £74,731.70           | 10.89%              |
| 2015         | £883,524.41               | £808,359.04                | £75,165.37           | 8.51%               |
| 2016         | £1,158,181.02             | £1,054,464.36              | £103,716.66          | 8.96%               |
| 2017         | £1,563,950.44             | £1,412,207.20              | £151,743.24          | 9.70%               |
| 2018         | £2,289,063.60             | £2,020,585.30              | £268,478.30          | 11.73%              |
| 2019         | £3,637,344.21             | £2,983,979.80              | £653,364.41          | 17.96%              |
| 2020         | £7,607,043.18             | £4,435,201.47              | £3,171,841.71        | 41.70%              |
| <b>TOTAL</b> | <b>£19,774,388.45</b>     | <b>£15,056,134.55</b>      | <b>£4,718,253.90</b> | <b>23.86%</b>       |



**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 21/22 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| BV10: Rates Collected | 98.81%       | 98.72%       | 98.70%       | 98.80%       | 99.05%       | 98.87%       | 98.53%       | 98.53%       | 98.03%       | 91.89%       | 95.47%       |

The amount of collectable debt raised for the year 2021/22 is **£75.70 million** in respect of 7,436 properties.

There have been 661 refunds actioned from the 1<sup>st</sup> April 2021 to the 31<sup>st</sup> March 2022 amounting to **£4,645,541.97** 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       | 31/03/22       |
|--------------------------------------|----------|----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reminders Issued                     | 2,536    | 4,023    | 3,545          | 4,445          | 4,263          | 4,288          | 3,525          | 3,245          | 3,447          | 1,803          | 5,350          |
| Final Notices Issued                 | 1,741    | 2,014    | 2,472          | 2,353          | 1,560          | 1,960          | 1,985          | 1,312          | 2,201          | 0              | 2,874          |
| Summonses Issued                     | 1,156    | 987      | 1,091          | 1,053          | 535            | 1,123          | 768            | 601            | 429            | 0              | 612            |
| Liability Orders                     | 749      | 683      | 771            | 734            | 411            | 525            | 522            | 550            | 438            | 0              | 584            |
| 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              | 545            |

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 1<sup>st</sup> April 2021 was **£3,241,994.14**

| NNDR 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 **31/03/22**      **£3,669,122.51**

**Reduction in Overall arrears**                      **£2,432,741.65**

Business Rates Arrears breakdown as at 31<sup>st</sup> March 2022

|      | Arrears B/F<br>31.03.2021 | Arrears<br>carried<br>forward | Net reduction       | Actual %<br>collection |
|------|---------------------------|-------------------------------|---------------------|------------------------|
| 2001 | 137.94                    | 137.94                        | 0                   |                        |
| 2008 | 1,143.35                  | 1,143.35                      | 0                   | 0.00%                  |
| 2009 | 938.03                    | 938.03                        | 0                   | 0.00%                  |
| 2010 | 7,659.01                  | 6,732.24                      | 926.77              | 12.10%                 |
| 2011 | 8,688.92                  | 6,183.11                      | 2,505.81            | 28.84%                 |
| 2012 | 28,475.03                 | 29,929.11                     | -1,454.08           | -5.11%                 |
| 2013 | 40,003.31                 | 39,431.86                     | 571.45              | 1.43%                  |
| 2014 | 71,719.80                 | 63,264.40                     | 8,455.40            | 11.79%                 |
| 2015 | 80,005.44                 | 66,731.40                     | 13,274.04           | 16.59%                 |
| 2016 | 161,495.10                | 137,903.99                    | 23,591.11           | 14.61%                 |
| 2017 | 397,476.67                | 359,509.81                    | 37,966.86           | 9.55%                  |
| 2018 | 573,791.39                | 463,302.25                    | 110,489.14          | 19.26%                 |
| 2019 | 1,488,336.03              | 1,027,864.20                  | 460,471.83          | 30.94%                 |
| 2020 | 3,241,994.14              | 1,466,050.82                  | 1,775,943.32        | 54.78%                 |
|      | <b>6,101,864.16</b>       | <b>3,669,122.51</b>           | <b>2,432,741.65</b> |                        |

*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 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022:

|                      |                              |
|----------------------|------------------------------|
| Civic Centre Total   | Transactions including Kiosk |
| <b>£6,298,972.54</b> | <b>9,396</b>                 |

**Payroll Data:**

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

|                       | Monthly | Annually |
|-----------------------|---------|----------|
| Non-Teaching/Teaching | 2,648   | 31,777   |
| Pensions              | 5,437   | 65,239   |

