

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

Date: Monday 16 January 2023

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

Title: REVENUES SERVICE MONITORING REPORT

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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 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)**

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: £3.6m
 5. Source of funding: Existing Revenue Budget for 2022/23
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Personnel

1. Number of staff (current and additional): 3 plus Liberata staff
 2. If from existing staff resources, number of staff hours: Existing Revenue budget for 2022/23
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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 collection for the period ended 30th November 2022 was 75.35% which was 0.69% higher than for the previous year. The backlog of recovery action caused by pandemic restrictions has now been cleared. Robust recovery action has resumed.

We have also introduced the following measures to try and maximise collection during the year:-

- Final notices, previously issued monthly, are now issued twice per month to ensure quicker contact is made with those in arrears
- Increasing the number of accounts SMS reminders are issued to, in particular to those below the limit for formal Court action.
- Trailing the use of a third-party Solicitor to contact debtors who are subject to a liability order.
- Executors accounts are investigated more promptly via land registry searches so changes in liability are carried out as quickly as possible.

The all-years collection figure achieved was 75.56% which was an increase of 1.15% compared to the previous year.

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 2022, the number of properties registered for Council Tax was 142,577. 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	2085	10,421	30,190	36,341	29,512	18,429	13,910	1,689	142,577
Number of properties with SPD	1,214	6,199	13,738	11,218	6,767	3,456	1,993	146	44,731

In comparison to last year, the number of registered properties has increased by 458 and the number receiving SPD has increased by 334.

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 completed and resulted in 132 accounts having the discount 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 71.2% of the accounts where there is liability to pay are paid by this method compared to 69.9% in 2021/22. The increase is attributed to the on-going direct debit campaign and residents ensuring that they obtained prompt payment of the Council Tax rebate in respect of Energy costs.

Empty Homes Premium

For properties empty longer than two years a 50% premium is levied, increasing to 100% once the property has been empty for over five years.

At the 30 November 2022 an EHP was applied to 349 properties, an increase of 46 since November 2021. 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	14	56	115	88	30	22	19	5	349
Number of properties Empty between 2 and 5 years (50% premium)	9	41	86	61	20	16	18	2	253
Number of properties Empty between 5 and 10 years (100% premium)	5	14	22	16	6	3	10	2	69
Number of properties empty over 10 years (100% premium)	0	1	7	11	4	3	0	1	27

A public consultation exercise is currently being undertaken proposing that the EHP is increased to 100% for properties over 2 years, 200% for properties over 5 year and 300% after 10 years. A report will be presented to the Executive in February 2023 with the results of the consultation and recommending that the increased EHP is applied from 1 April 2023.

3.4 **Business Rates**

Collection

The in-year Business rates collection rate for the period ending 30 November 2022 was 74.25% which is up 11.85% on the previously years figure. Like Council Tax, full recovery action has resumed.

The all year's collection rate for the period was 70.70%, which is an increase of 11.82% on the previous year.

As part of the Government's support schemes for business a Covid Additional Relief Fund (CARF) was made available for Council's to support local business. CARF scheme was designed in conjunction with Liberata that administered 555 awards to local businesses. Overall, this equated to £5.1m of support. Whilst some companies requested the monies to be refunded, a significant proportion wanted the award offset against their existing liability which has directly impacted of the above collection figures.

To maximise recovery the following initiatives have been introduced: -

- increased frequency of reminders and final notices
- telephoning businesses that have been issued with recovery notices
- an adjustment of the recovery process to enable debts to be moved through the billing and recovery cycle quicker

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

Number of properties on the Business Rates register

As at the 30 November 2022 there were 7,414 properties registered for Business Rates this a reduction of 43 on the figure as at the 30 November 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)	4,478
Between £15k and £49,999 (medium)	1,969
Over £50,000 (large)	967
Total	7,414

3.5 **Cashiers**

The number of payments received, including amounts received via either of the payment kiosks, or by post is shown in the table below:-

Period	Number of transactions	Amount
1.4.21 – 30.11.21	6,641	£5,087,675
1.4.22 – 30.11.22	6,826	£3,008,770

The value of the amounts being received via either of the payment kiosks, or by post, has reduced by 51% since last year, despite the number of transactions increasing. This has been attributed to residents and businesses preferring to pay by BACS or on-line rather than sending high value cheques by post.

3.6 **Payroll**

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

LBB General/Schools 2,713

Pensions 5,523

For the period April to November 2022, Liberata achieved 99.91% accuracy.

3.7 **Pensions**

Membership numbers recorded on the pension administration system at the 30 November 2022 were 6,289 actives, 7,479 deferred and 5,948 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 2022/23 the key financial elements of the Revenues Service are:

- £254.8m - annual Council Tax raised
- £98.5m – annual Business Rates raised
- £50.8m – gross amount paid in staff salaries (inclusive of Schools but excluding Academies) for the period 1 April to 30 November 2022
- £21.3m – gross amount paid in Pensions for the period 1 April to 30 November 2022
- £3.01m - revenue on 6,641 transactions for the period 1 April to 30 November 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

- 8.1 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 7500 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 Sections:	Impact on Vulnerable Adults and Children, Personnel, Procurement, Property and Ward Councillors views
Background Documents: (Access via Contact Officer)	