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

Date: **Monday 3 July 2023**

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 December 2022 to 31 March 2023. A letter from Bola Odunsi, Liberata's Regional Director (London and the Southeast), provides an update on each of the individual services and is attached at Appendix 1 with statistical data relating to the Revenues Service attached at Appendix 2.

2. **RECOMMENDATION(S)**

The PDS is requested 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. Making Bromley Even Better Priority
 - (5) To manage our resources well, providing value for money, and efficient and effective for Bromley's residents
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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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Property

1. Summary of Property implications: Not applicable
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability implications: Not applicable
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Impact on the Local Economy

1. Summary of Local Economy implications: Not applicable
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Impact on the Health and Wellbeing

1. Summary of Health and Wellbeing implications: Not applicable
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Customer Impact

1. Summary of Health and Wellbeing implications: The Services covered in this report affect all the Council Tax payers, Business rates payer, 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
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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 financial year ending on 31 March 2023 was 97.12% which was a 0.30% increase on that achieved in the previous year and is down 0.74% against collection at the 31 March 2020. Pre-pandemic collection rates have not been achieved because of the backlog in recovery work caused by the pandemic restrictions. The backlog has now been cleared and 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 collection rate for current year and arrears was 96.89% which was a 0.41% increase when compared to the last financial year and 0.96% down against the same time in March 2020 (pre pandemic).

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

Number of properties on the Council Tax register

At the end of March 2023, the number of properties registered for Council Tax was 142,782. 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	2,149	10,427	30,243	36,352	29,476	18,471	13,962	1,702	142,782
Number of properties with SPD	1,219	6,261	13,848	11,332	6,829	3,499	2,047	152	45,187

In comparison to last year, the number of registered properties has increased by 579 and the number receiving SPD has increased by 465.

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.

As agreed with Members, to encourage payment by Direct Debit, everyone who pays their Council Tax by this method in 2023/24 will automatically be entered into a prize draw where they could win £5000.

The terms and conditions associated with the draw are available on our website via the following link [Paying your council tax – London Borough of Bromley](#).

Empty Homes Premium

In 2022/23 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 31 March 2023 an EHP was applied to 390 properties, an increase of 41 since November 2022. 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	16	57	133	92	41	23	25	3	390
Number of properties Empty between 2 and 5 years (50% premium)	13	41	102	61	31	18	23	0	289
Number of properties Empty between 5 and 10 years (100% premium)	3	14	23	19	6	2	2	2	71
Number of properties empty over 10 years (100% premium)	0	2	8	12	4	3	0	1	30

From 1 April 2023, the EHP will be increased to 100% for properties over 2 years, 200% for properties over 5 year and 300% after 10 years.

Business Rates

Collection

The in-year Business rates collection rate for the period ending 31 March 2023 was 97.21% which is up 1.75% on the previous year's figure. Like Council Tax, full recovery action has resumed.

The collection rate for current year and arrears was 93.10%, which is an increase of 2.48% 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. The 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.

Although there has been a significant improvement, collection is still down on 2019/20 achievements in year collection by 0.82% and arrears by 2.6% and caused like Council Tax by the pandemic restrictions on recovery action.

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

Number of properties on the Business Rates register

As at the 31 March 2023 there were 7,405 properties registered for Business Rates this a reduction of 31 on the figure as at the 31 March 2022.

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

Business size based on rateable value	Properties at 31.3.23	Properties at 31.3.22
Less than £15k (small)	4,324	4,495
Between £15k and £49,999 (medium)	3,024	1,938
Over £50,000 (large)	57	973
Total	7,405	7,436

Recovery of Business rates

At ER&C PDS on 16 January 2023, Members asked for more information to be provided on the number of Business Rate debts being referred to enforcement agencies. Recovery of Business Rates has a prescribed recovery process set out in the Local Finance Act 1988 and is adopted by all Local Authorities.

Ultimately, when the account remains unpaid, after obtaining a Liability order at the Magistrates court the debt is referred to an enforcement agent for collection.

Historically, Bromley had been able to collect the majority of the Business Rates owed without the need to refer accounts to the enforcement agents. However, since the pandemic the number of accounts referred has increased. The table below shows the number of accounts referred to the enforcement agents since 2016/17:

Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Number of accounts passed to Enforcement agent	184	159	203	369	0	545	1,015

Whilst there is currently no statistical data to support, other LA's are experiencing an increase in the referral to enforcement agents, this has been attributed to the financial struggle faced by businesses caused by the pandemic and the current economic pressures being experienced e.g. increased energy costs and increasing rents.

Further information on the types of businesses being referred to the enforcement agents will be provided in the next monitoring report

3.4 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 – 31.3.22	9,396	£6,289,973
1.4.22 – 31.3.23	9,446	£3,749,659

The value of the amounts being received via either of the payment kiosks, or by post, has reduced by 40% since last year, despite the slight increase in the number of transactions. 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 March 2023 was as follows:

LBB General/Schools	2,935
Pensions	5,570

For the period December 2022 to 31 March 2023, Liberata achieved 100% accuracy.

3.7 **Pensions**

Membership numbers recorded on the pension administration system at the 31 March 2023 were 6,509 actives, 7,539 deferred and 6,019 pensioners.

The number of pensioners recorded on the Pension system is different to the number of pensions paid because pensioners only have one record on the Payroll system but they may have more than one pension record in the pension system e.g. a person may have worked for different departments or left Bromley then returned at a later date

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
- £76.9m – gross amount paid in staff salaries (inclusive of Schools but excluding Academies) for the period 1 April 2022 to 31 March 2023
- £32m – gross amount paid in Pensions for the period 1 April 2022 to 31 March 2023
- £3.75m - revenue on 9,446 transactions for the period 1 April to 31 March 2023 (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 Liberata exclusively uses Ark data centres which are committed to the European Green Deal, achieving the ambitious greenhouse gas reductions of the climate law, and leveraging technology and digitalisation to achieve the goal of making Europe climate neutral by 2050. For the last 6 years, all Ark facilities have been powered by 100% renewable energy. To improve sustainability further Ark has developed innovative direct air evaporative cooling capability that dramatically lowers energy consumption and cost, capable of providing compressor free cooling for 100% of every year.

The My Bromley account software supports 49,815 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, Impact on the Economy, Impact of Health and Wellbeing and Ward Councillors views
Background Documents: (Access via Contact Officer)	