



**Performance and Finance Select
Committee**

9th November 2006

**Report from the Director of Finance
and Corporate Resources**

For Information

Wards Affected:
ALL

Report Title: Revenues Performance

1.0 Summary

1.1 This report outlines performance in relation to the Revenues (Council Tax and NNDR) service collection. Performance is shown as at 30 Sept 2006.

2.0 Recommendations – need amendment

2.1 Members are asked to note Capita's Council Tax and NNDR collection performance against contractual targets for 2006/07.

2.2 Members are asked to note that Council Tax and NNDR collection for arrears in the 2003/04 and 2004/05 years will need to improve to achieve contractual targets in 2006/07.

2.3 Members are asked to consider Capita's performance against the collection action plan to bring about improvements in collection in 2006/07.

2.4 Members are asked to note performance in comparison to other London authorities.

2.5 Members are asked to note Capita's performance in providing IT support for the Revenues and Benefits service.

3.0 Detail – Revenues

Background

- 3.1 At the last meeting of the Performance and Finance Committee, members were advised that Brent's league table position for Council Tax in-year collection had fallen to 31st out of the 33 London Boroughs. This report provides further details of Brent's performance over the last few years and of our overall direction of travel because this cannot be evaluated from a single year comparison. It is worth noting that in overall terms, Council Tax collection has increased year on year since 2003 when the current contract with Capita commenced. In-year Council Tax collection for 2005/06 at 93.56 % represents the highest level of Council Tax ever collected in Brent since it began in 1993. It also represents an increase of 3.2 % since the start of the contract in 2003. This overall increase compares favourably with other London Boroughs. We do need to improve our league position, and have focussed efforts on developing improvement plans that will help to achieve this. There is a cluster of 7 London Authorities who are collecting between 93% and 93.4%; excluding summons costs. An improvement of 0.8% on our 2005-06 collection would mean that we could move above those authorities on the league table should their collection rates remain the same.
 - 3.2 NNDR collection has improved year on year from 94.75% including summons costs in 2002/03 to 98.29% in 2005/06. This level of performance has seen Brent move into the 3rd quartile for 2005/06 at position 19 amongst London authorities.
 - 3.3 Collection performance at the end of September for 2006/07 is below that for the same period in the 2005/06 year. This is partly attributable to the increase in the number of payers on Direct Debit as it extends the instalment period from January to March. Collection is also below the projected profile for the end of September by 0.52%. The profile is a forecast of what Capita expect to collect each month to reach the end of year target.
 - 3.4 Post contract Council Tax arrears collection (for the years 2003/04 to 2005/06) is disappointing with performance for 2003/04 and 2004/05 not achieving the targets set for the end of March 2006 and looking unlikely to meet the targets set for March 2007. Indications are that the target for the 2005/06 year will be achieved in March 2007.
 - 3.5 Pre contract Council Tax arrears and NNDR collection has remained positive and NNDR collection at September 2006 exceeds that for the same date in 2006/07. Continued performance at this level would mean that the contractual target for 31 March 2007 would be exceeded.
 - 3.6 IT performance has been stable for the period April to September 2006.
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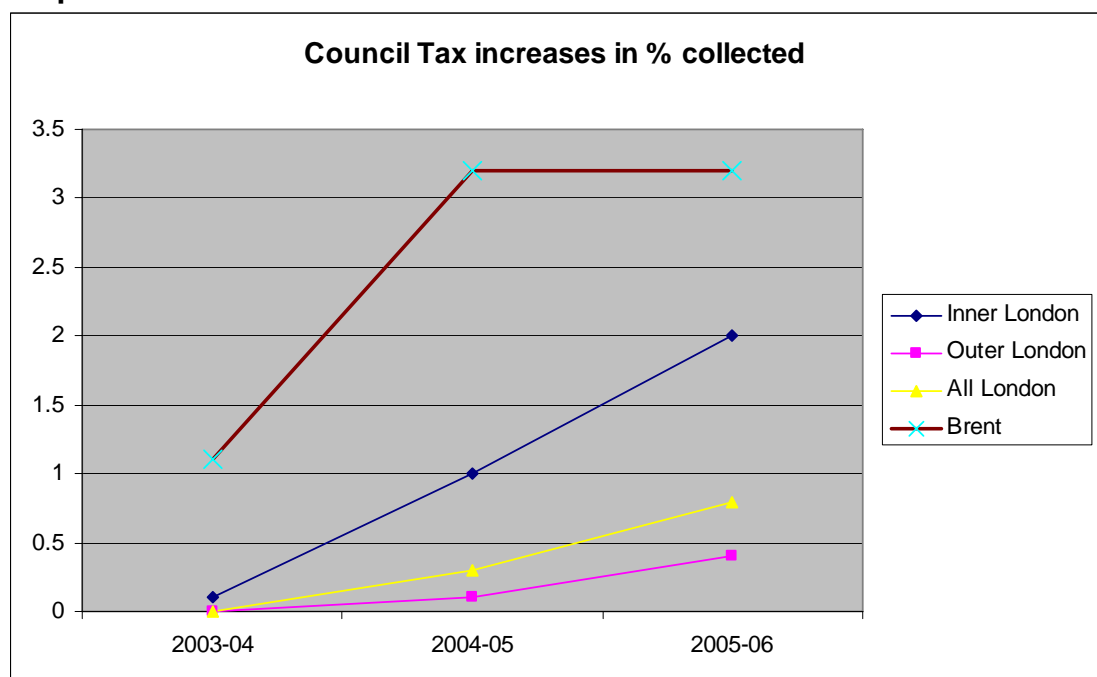
Comparison of Performance with other London authorities

3.7 Since the commencement of the contract Capita have collected £270.6m Council Tax across all years.

Table 1 and Graph 1 show that the cumulative increase in in-year collection between 2002/03 and 2005/06 at Brent was 3.2% compared to an average cumulative increase of 0.8% across all London Boroughs (which is made up of an average of 2% across inner London Boroughs and 0.4% across outer London Boroughs). Further details outlining the performance of London Boroughs in the collection of Council Tax across the years 2002-03 to 2005-06 is contained in appendix 1.

| TABLE 1: Council tax - collection rates (%) : 2002-03 to 2005-06 | | | | |
|---|---------|---------|---------|---------|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 |
| Inner London boroughs | 91.9 | 92.0 | 92.9 | 93.9 |
| Increase | | 0.1 | 0.9 | 1 |
| Outer London boroughs | 95.0 | 95.0 | 95.1 | 95.4 |
| Increase | | 0 | 0.1 | 0.3 |
| All London boroughs | 94.1 | 94.1 | 94.4 | 94.9 |
| Increase | | 0 | 0.3 | 0.5 |
| Brent | 89.5 | 90.6 | 92.7 | 92.7 |
| Increase | | 1.1 | 2.1 | 0 |

Graph 1 – Collection increases from 2002-03 to 2005-06



3.8 Council Tax Collection for 2006/07

In 2006/07 Capita are contractually required to achieve an in year collection rate of 94% (including summons costs) at 31 March 2007.

3.9 The total value of Council Tax to be collected for 2006/07 before any discounts or benefit is awarded is £134.8m. At the end of September 2006 discounts and exemptions reduced that by £13.9m and after Council Tax Benefit of £26.7m left a balance of £94.2m to be collected. At the end of September, £49.1m had been collected leaving a total of £45.1m outstanding. To achieve the contractual target of 94%, a further £39.4m needs to be collected between the end of September 06 and end of March 07 for the 2006/07 year. Table 2 below shows the cumulative cash collected on a monthly basis for the in-year Council Tax debt from June 2003, with Table 3 giving details of Council Tax Benefit awarded and Table 4 the cumulative total of cash and benefit for each month.

Table 2: Comparison of Cash collected

| Cumulative Cash Collected £000's– Council Tax | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March |
| 2003/04 | | | 28,418 | 33,074 | 38,036 | 43,107 | 48,525 | 53,523 | 58,482 | 63,408 | 67,476 | 71,482 |
| % NCD** | 23.35 | 29.02 | 34.84 | 40.47 | 46.53 | 52.98 | 60.14 | 66.54 | 72.98 | 79.54 | 85.39 | 90.97 |
| 2004/05 | 11,938 | 18,937 | 25,649 | 32,028 | 38,316 | 44,984 | 51,204 | 57,407 | 63,486 | 69,019 | 73,597 | 78,364 |
| % NCD** | 13.77 | 22.01 | 29.9 | 37.42 | 44.79 | 52.66 | 60.15 | 67.59 | 74.92 | 81.53 | 87.3 | 93.41 |
| 2005/06 | 12,561 | 19,503 | 27,198 | 33,611 | 40,247 | 46,979 | 53,617 | 60,353 | 66,794 | 72,734 | 77,401 | 82,212 |
| % NCD** | 14.11 | 22.6 | 30.51 | 37.7 | 45.21 | 52.91 | 60.44 | 68.07 | 75.46 | 82.31 | 87.78 | 93.56 |
| 2006/07 | 12,782 | 20,690 | 27,901 | 34,935 | 41,906 | 49,062 | | | | | | |
| % NCD** | 13.51 | 21.85 | 29.52 | 37.05 | 44.46 | 52.09 | | | | | | |

**The Net Collectable Debit (NCD) is the amount of Council Tax that can be charged for that year after discounts, exemptions and benefit has been removed.

Table 3: Comparison of Council Tax Benefit Awarded

| £ Benefit | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2004/05 £ | 21,647 | 22,452 | 22,891 | 23,202 | 23,413 | 23,602 | 23,794 | 23,946 | 24,025 | 24,095 | 24,187 | 24,263 |
| % Gross* | 17.76% | 18.42% | 18.78% | 19% | 19% | 19.36% | 19.52% | 19.64% | 19.71% | 19.76% | 19.84% | 19.90% |
| 2005/06 £ | 24,300 | 25,233 | 25,325 | 25,418 | 25,558 | 25,588 | 25,622 | 25,621 | 25,688 | 25,708 | 25,712 | 25,520 |
| % Gross* | 19.03% | 19.76% | 19.83% | 20% | 20% | 20.04% | 20.06% | 20.06% | 20.12% | 20.13% | 20.13% | 19.98% |
| 2006/07 £ | 25,912 | 26,289 | 26,538 | 26,624 | 26,681 | 26,702 | | | | | | |
| % Gross* | 19.29% | 19.57% | 19.75% | 20% | 20% | 19.87% | | | | | | |

* The Gross Debit is the full amount of Council Tax before any exemptions, discounts or benefit has been awarded.

Table 4: Comparison of Accumulative Cash and Benefit

| £ | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| 2004/2005 | 33,585 | 41,389 | 48,540 | 55,230 | 61,729 | 68,586 | 74,998 | 81,353 | 87,511 | 93,114 | 97,784 | 102,627 |
| 2005/2006 | 36,861 | 44,736 | 52,523 | 59,029 | 65,805 | 72,567 | 79,239 | 85,974 | 92,482 | 98,442 | 103,113 | 107,732 |
| 2006/2007 | 38,694 | 46,979 | 54,439 | 61,559 | 68,587 | 75,764 | - | - | - | - | - | - |

3.10 Table 5 below shows monthly collection this year to date as a percentage of the cash to be collected and compares that with monthly collection in 2003/04, 2004/05 and 2005/06. This shows that the monthly collection between April and September 2006 has not exceeded that for the same period in 2005.

Table 5: Collection as a % of Net Collectable Debit

| Cumulative Collected – Council Tax | | | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March |
| 2003/04 | 23.35 | 29.02 | 34.84 | 40.47 | 46.53 | 52.98 | 60.14 | 66.54 | 72.98 | 79.54 | 85.39 | 90.97 |
| 2004/05 | 13.77 | 22.01 | 29.9 | 37.42 | 44.79 | 52.66 | 60.15 | 67.59 | 74.92 | 81.53 | 87.3 | 93.41 |
| 2005/06 | 14.11 | 22.6 | 30.51 | 37.7 | 45.21 | 52.91 | 60.44 | 68.07 | 75.46 | 82.31 | 87.78 | 93.56 |
| Target 2006/07 | 13.51 | 22.06 | 30.11 | 37.21 | 44.91 | 52.61 | 60.33 | 68.03 | 75.71 | 82.71 | 88.40 | 94 |
| Actual | 13.51 | 21.85 | 29.52 | 37.05 | 44.46 | 52.09 | | | | | | |
| Comparison with 2005/06 | -0.6 | -0.75 | -0.99 | -0.65 | -0.75 | -0.82 | | | | | | |

3.11 Because of the alteration to collection patterns during the year it is difficult to make direct comparisons to collection during 2005/06. Most significantly there has been increases to the number of people who pay by Direct Debit. Direct Debit payments are spread over 12 monthly instalments including February and March and thus payments by this method are more evenly spread across the year.

3.12 There has been an increase in the number of payers on DD from 33,926 in September 2005 to 35,953 in September 2006. We have also seen an increase in the number of people who now have cash instalments for February and March 2007. This has increased by 0.43% between July and September 2006.

Table 6: 2006/07 Monthly Profile as a % of the amount to be collected.

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|
| 2006/07 profile | 13.51 | 22.06 | 30.11 | 37.21 | 44.91 | 52.61 | 60.33 | 68.03 | 75.71 | 82.71 | 88.4 | 94.00 |
| 2006/07 Actual | 13.51 | 21.85 | 29.52 | 37.05 | 44.46 | 52.09 | | | | | | |
| Variance | 0.00 | -0.21 | -0.59 | -0.16 | -0.45 | -0.52 | | | | | | |

3.13 Table 6 shows that the monthly collection profile forecast for 2006/07 has not been achieved for the months May to September. Capita provided us with a collection action plan at the beginning of the financial year that outlined the actions that would be taken to meet the target of 94%. The action plan is appended to this report (Appendix 2)

and key elements from it are outlined in greater detail under Section 3.24 Improvement Plan.

3.14 Campaigns have been undertaken during the year to encourage the take up of Direct Debit. For example, the September Brent Magazine included an advertisement on DD take up. We have also been successful in highlighting details of suspended prison sentences that have been obtained for the non payment of Council Tax. Further campaigns will be undertaken in December and January highlighting the actions that can be and will be taken against non payers and once again promoting Direct Debit.

3.15 Council Tax Collection for previous years

3.16 2005/06 Collection

At the end of September 2006, a collection rate of 94.31% was achieved for 2005/06. Continued performance at this level would see the contractual target of 96% achieved at the end of the year as represented in Graph 2 below. £955,000 has been collected since the end of April 2006 for the 2005/06 year.

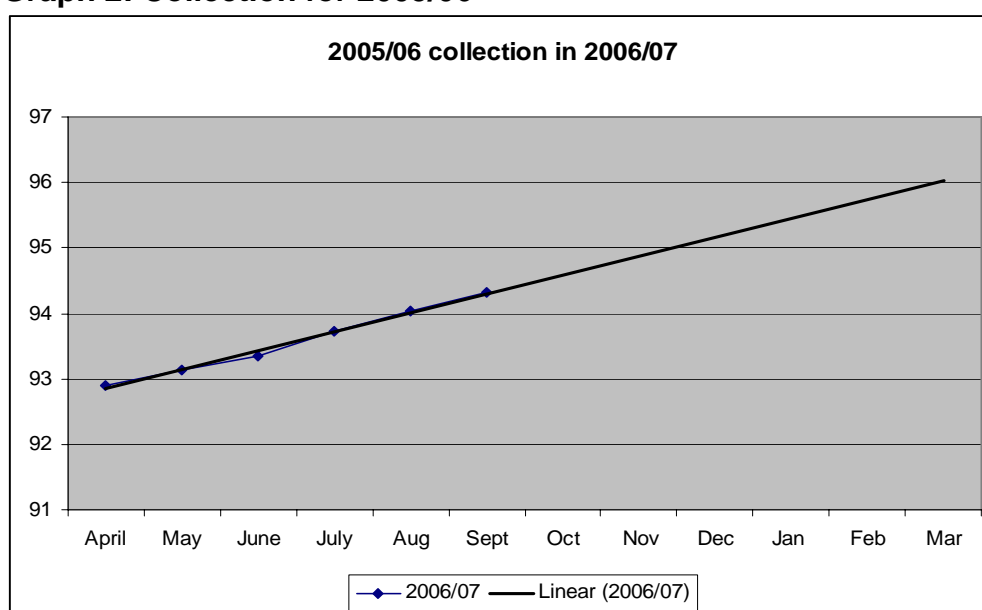
Table 7 shows the cumulative performance in collection of outstanding 2005/06 debt for each month in 2006/07.

Table 7: Collection for 2005/06.

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb |
|-----------|--------|--------|--------|--------|--------|--------|-----|-----|-----|-----|-----|
| 2006/07 % | 92.9 | 93.13 | 93.34 | 93.72 | 94.03 | 94.31 | | | | | |
| 2006/07 £ | 81,729 | 81,904 | 82,086 | 82,297 | 82,500 | 82,684 | | | | | |

Graph 2 shows the collection performance for 2005/06 to September 06 with a trend line indicating collection levels that are likely to be achieved by March 2006 with continued performance at this level.

Graph 2: Collection for 2005/06



3.17 2004/05 Collection

The collection target of 95.5% by the end of March 2006 was not met with a shortfall of 0.58%.

The contractual target for collection of 2004/05 debt by the end of 2006/07 is 96.5%. Collection is currently at 95.31% which means that 0.4% or £345,000 has been collected since 30 April 2006. Continued performance at this level would mean 95.8% would be collected by the end of March 2007 against a target of 96.5% and is represented in Graph 3 below. Performance in July was at it's highest so far for the year with 0.11% collected in the month and 0.9% was collected in the months of August and September.

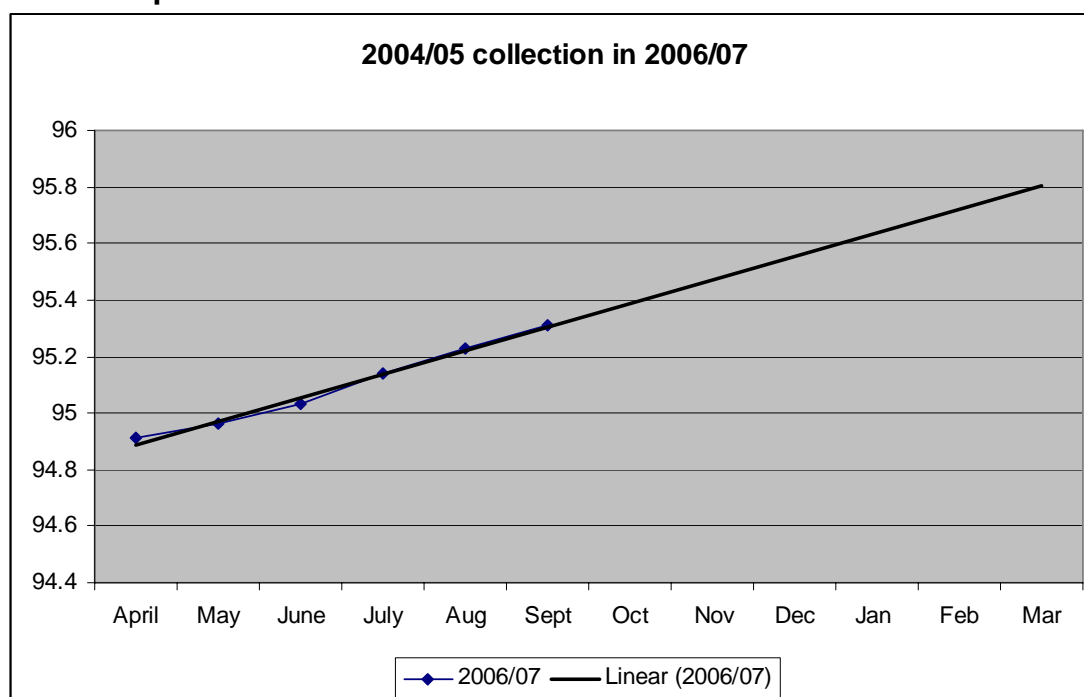
Table 8 shows the cumulative performance in collection of outstanding 2004/05 debt for each month in 2005/06 and 2006/07.

Table 8: Collection for 2004/05.

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb |
|-----------|--------|--------|--------|--------|--------|--------|------|-------|-------|-------|-------|
| 2005/06 | 93.01 | 93.00 | 93.09 | 93.31 | 93.57 | 93.84 | 94.1 | 94.32 | 94.53 | 94.74 | 94.92 |
| 2006/07 % | 94.91 | 94.96 | 95.03 | 95.14 | 95.23 | 95.31 | | | | | |
| 2006/07 £ | 79,433 | 79,495 | 79,561 | 79,622 | 79,686 | 79,745 | | | | | |

Graph 3 shows the collection performance for 2004/05 to September 06 with a trend line indicating collection levels that could be achieved by March 2006 with continued performance at this level.

Graph 3: Collection for 2004/05



3.18 2003/04 Collection

In 2005/06 Capita were contractually required to achieve a target of 96% for the year 2003/04 arrears. This was not achieved with a

shortfall of 1.7%. £221,000 has been collected since the beginning of April 2006 for the 2003/04 year.

Table 9 shows the cumulative month-by-month performance in 2005/06 and 2006/07 for the outstanding 2003/04 debt.

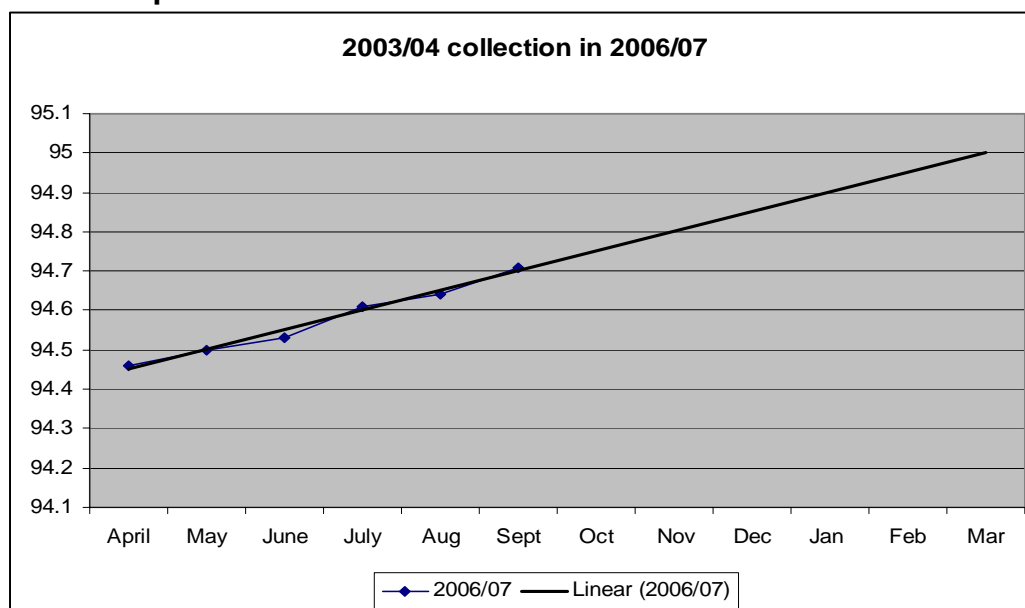
Table 9: Collection for 2003/04

| | April | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb |
|-----------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|------|
| 2005/06 | 93.37 | 93.46 | 93.61 | 93.67 | 93.72 | 93.84 | 93.92 | 94.03 | 94.12 | 94.21 | 94.3 |
| 2006/07 % | 94.46 | 94.5 | 94.53 | 94.61 | 94.64 | 94.71 | | | | | |
| 2006/07-£ | 73,858 | 73,900 | 73,928 | 73,969 | 74,006 | 74,044 | | | | | |

3.19 The contractual target for 2003/04 year in 2006/07 is 96.5%. Collection had reached 94.71% at 30 September 2006. This is an increase of only 0.41% over 6 months. Continued performance at this level would indicate a collection rate of 95% at March 2007. Performance in July was at it's highest so far for the year with 0.08% collected in the month and during August and September 0.5% was collected in each month.

Graph 4 shows the collection performance for 2004/05 to September 06 with a trend line indicating collection levels that may be achieved by March 2006 with continued performance at this level.

Graph 4: Collection for 2003/04



3.20 Pre Contract Arrears Collection

Since the commencement of the contract, Capita have collected £5.26m in pre contract Council tax arrears. An incentive is obtained each year for collection exceeding a cumulative collection figure. £318,000 has been collected in the year to date. Whilst it is less than the £413k collected for the period April to September 2005, it should be noted that the debts are a year older and collection levels are therefore more difficult to sustain.

3.21 NNDR Performance

2006/07 Collection

3.22 The value of NNDR to be collected for the 2006/07 year before any relief is awarded on accounts is £92M. After relief's such as Small Business Rate relief and empty allowances are awarded, the balance to collect for the year was £74.3M at the end of September. The NNDR in-year collection rate at 30 September 2006 was 59.82% which is 0.26% above the monthly profile set by Capita and 0.26% up compared to the same time last year. Table 10 outlines the collection performance and compares it with the previous year and the profiled targets set to achieve 98.3%. The contractual target for 2006/07 is 96.6%. Continued performance at the level achieved throughout the year to September 2006 would indicate that the profiled target of 98.3% would be achieved by the end of the financial year. Details of cash collected are contained in Table 11.

Table 10: %NNDR collection 2006/07

| % Collection Cumulative | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2003/2004 | N/A | 17.73 | 26.28 | 37.47 | 46.48 | 56.75 | 65.79 | 73.96 | 84.03 | 92.58 | 94.98 | 96.39 |
| 2004/2005 | 9.66 | 19.01 | 28.46 | 38.33 | 48.85 | 58.59 | 68.03 | 77.54 | 87.36 | 95.35 | 96.67 | 97.80 |
| 2005/2006 | 10.57 | 19.75 | 28.99 | 40.08 | 49.61 | 59.56 | 68.94 | 78.99 | 88.56 | 96.39 | 97.06 | 98.29 |
| Target 2006/2007 | 10.57 | 19.75 | 28.99 | 40.08 | 49.61 | 59.56 | 68.94 | 78.99 | 88.56 | 96.39 | 97.06 | 98.3 |
| Actual 2006/2007 | 9.64 | 19.72 | 30.69 | 40.74 | 50.21 | 59.82 | | | | | | |
| Variance on last year | -0.93 | -0.03 | 1.7 | 0.66 | 0.60 | 0.26 | | | | | | |
| % Month on month | | 10.08 | 10.97 | 10.05 | 9.47 | 9.61 | | | | | | |

Table 11:£000 NNDR collection 2006/07

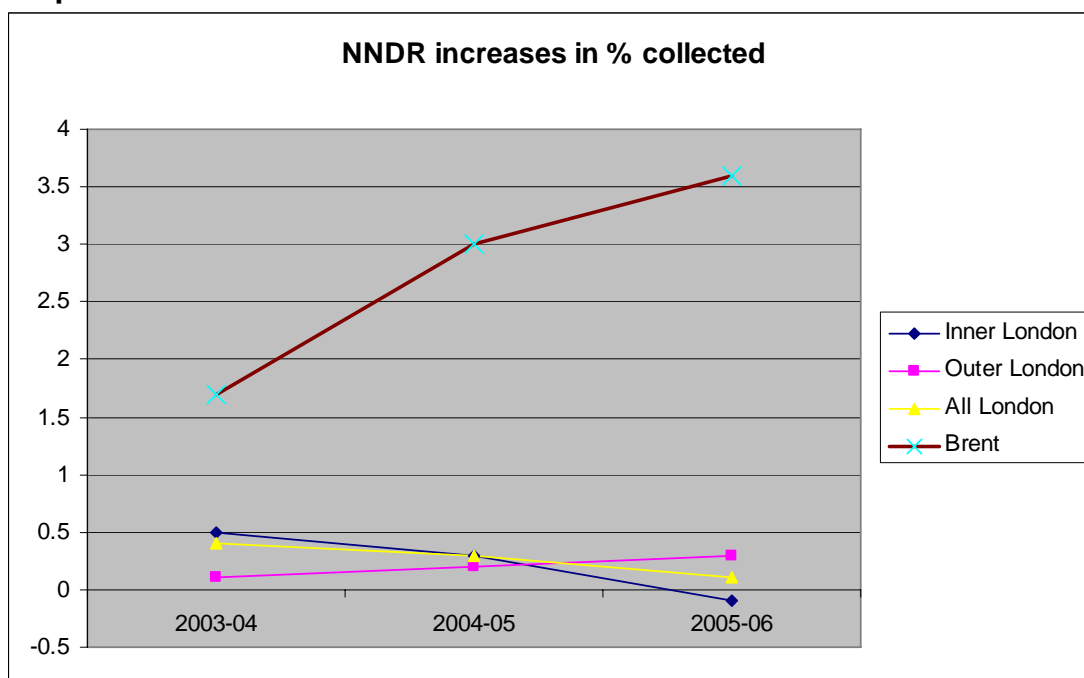
| £ NNDR | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
|-----------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2003/2004 | | | 17,865 | 25,224 | 31,338 | 38,181 | 44,254 | 50,357 | 56,835 | 62,558 | 64,143 | 64,701 |
| 2004/2005 | 6,794 | 13,224 | 19,749 | 26,607 | 33,598 | 40,135 | 46,529 | 53,017 | 59,752 | 65,077 | 65,777 | 66,223 |
| 2005/2006 | 7,604 | 14,268 | 21,072 | 29,090 | 35,908 | 43,027 | 49,880 | 56,919 | 63,521 | 69,222 | 69,525 | 69,863 |
| 2006/2007 | 7,269 | 14,758 | 22,835 | 30,276 | 37,321 | 44,451 | | | | | | |

3.23 Although 96.6% is the target for 2006/07, the financial deduction and incentive scheme is based on collection compared to payments that have to be paid into the National Pool. This increases Capita's incentive to exceed the targets set, whilst ensuring that incentives are firmly based on speed of collection.

Table 12 and Graph 5 show the cumulative increase in NNDR collection between 2002/03 and 2005/06 with a comparison against the average figure for inner and outer London Boroughs. At Brent this was 3.6% compared to an average of 0.1% across all London Boroughs which is made up of an average decrease of 0.1% across inner London Boroughs and an increase of 0.3% across outer London Boroughs.

| TABLE 12: Non-domestic rates - collection rates (%) : 2002-03 to 2005-06 | | | | |
|---|-------------|-------------|-------------|-------------|
| | 2002-03 | 2003-04 | 2004-05 | 2005-06 |
| | | | | % |
| Inner London boroughs | 98.0 | 98.5 | 98.3 | 97.9 |
| Increase | | 0.5 | -0.2 | -0.4 |
| Outer London boroughs | 98.1 | 98.2 | 98.3 | 98.4 |
| Increase | | 0.1 | 0.1 | 0.1 |
| All London boroughs | 98.0 | 98.4 | 98.3 | 98.1 |
| Increase | | 0.4 | -0.1 | -0.2 |
| Brent | 94.7 | 96.4 | 97.7 | 98.3 |
| Increase | | 1.7 | 1.3 | 0.6 |

Graph 5 – NNDR Collection increases from 2002-03 to 2005-06



3.24 Improvement Plan

The tracing of Council Tax debtors piloted in 2005/06 has continued for the 2006/07 year.

3.25 During the month of September, there was increased Bailiff activity particularly over 2 weekends to raise the profile of Council Tax collection and to increase income from the Bailiffs.

3.26 The number of cases being progressed to bankruptcy for non payment of Council Tax is also being increased. To date, 24 debtors have been

made bankrupt. 22 statutory demands are awaiting service and a further 219 are in progress. These are a pre-requisite to bankruptcy proceedings. In addition 7 charging orders have been obtained for properties with another 74 in progress. An application will be made to progress the charging orders to enforce the sale of the properties. A court date has yet to be set but it is hoped that this will take place before the end of November.

3.27 Increased working has been undertaken with areas across the Council to share information and help improve debt collection.

Some of the key activities outlined in the action plan (Appendix 1) to improve arrears collection include:

- Identifying Home Owners via Land Registry
- Obtaining employment details for Attachment of Earnings

3.28 Further details including the analysis of debtors and mapping of debtors to the 2001 census information will be undertaken with details provided to members at the next committee. It is hoped that this will assist with targeted debt campaigns.

3.29 In the cases where a suspended prison sentence has been obtained, adherence to the payment arrangement is being closely monitored so that in cases where the taxpayer has defaulted the case will be brought back to the Magistrates Court with an application for their committal to prison.

3.30 Capita IT Provision against contractual requirements

The provision of IT has been good for the year 2006/07 with no significant impact on service availability.

Plans are underway to provide online access to information for Council Tax customers who are registered and authenticated via the Government Gateway. This will include being able to view details of payments made against instalments due and details of the charge for the year including a breakdown of any discounts or exemptions awarded. The target "go live" date is end of December 2006. "Go live" will be low-key to ensure that any potential difficulties experienced by users are identified before a major publicity campaign is undertaken. Plans are to have a publicity campaign at the end of January in time for annual billing and an insert included in all annual bills to promote take up.

3.31 Year End and Annual Billing

Planning has begun for annual billing in March 2007. The software release for the IT system that will support annual billing is expected in December 2006. Testing will commence immediately it is received.

3.32 Contract Review

The current contract with Capita includes a provision to extend it beyond 5 years, should the Council wish to do so. A decision was taken by the executive in October 2006 to take up the option of extending the Capita contract for a further 3 years from 2008 to 2011. The client team are currently working with legal services to draft the contract documentation for the extension period.

4.01 Council Tax complaints

The Tables below show recent performance in responding to Council Tax complaints received.

4.02 The vacancy on the complaints team was advertised in September and the position offered to the successful candidate in October. Also, the Stage 1 Complaints Manager is currently on long term sickness absence of the following an operation. Despite these resource issues, there continues to be good progress in dealing with outstanding complaints.

4.03 Work is underway with Capita to identify ways of improving the escalation rates of Council Tax complaints from Stage 1 to Stage 2.

Table 13: Complaints performance

Council Tax Complaints

Processed by Revenues & Benefits except Stage 1 complaints – processed by Capita

| Received | Apr | May | Jun | Jul | Aug | Sep |
|------------------|--------|--------|--------|-------|--------|------|
| Stage 1 | 34 | 39 | 51 | 45 | 36 | 38 |
| Stage 2 | 7 | 4 | 5 | 5 | 7 | 1 |
| Stage 3 | 3 | 4 | 6 | 4 | 5 | 4 |
| Total | 44 | 47 | 62 | 54 | 48 | 43 |
| Response on Time | Apr | May | Jun | Jul | Aug | Sep |
| Stage 1 | 100.0% | 92.30% | 76.20% | 97.9% | 94.00% | 100% |
| Stage 2 | 100.0% | 14.30% | 14.30% | 9.1% | 66.70% | 100% |
| Upheld | Apr | May | Jun | Jul | Aug | Sep |
| Stage 1 | 52.60% | 34.20% | 33.40% | 38.3% | 32.00% | 15% |
| Stage 2 | 100% | 57.20% | 71.50% | 72.3% | 66.70% | 40% |

4.04 Customer Service Update

The One Stop Service (OSS) provides customer services for face to face and telephone enquiries for Revenues and Benefits.

4.05 The face to face service is provided from the 6 OSS locations with Brent House local office being the busiest. The Telephone and On-line Centre has two dedicated telephone lines, one for Benefit enquiries and one for Council Tax enquiries.

- 4.06 Table 14 provides details of the number of Revenue enquiries dealt with by the Telephone Centre and Brent House from April 2006 to September 2006.
- 4.07 For the last four months, April to September 2006 the Brent House counters handled 27,773 enquiries. 22,913 (82.5%) enquiries were for Benefits and 4,860 (17.5%) were Council Tax. Of these, 78% of the customers were seen within 30 minutes. This has increased since the previous period (Apr 06 to July 06) when 75% were seen within 30 minutes.
- 4.08 The Council Tax telephone lines answered a total of 68,184 calls between April and September 06. 55.5% of the calls presented to the Council Tax line were answered within 15 seconds.
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Table 14

Customer Services**Counter**

| Counter - Percentage of customers seen in 30 minutes | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Total seen | 4083 | 4810 | 4625 | 4588 | 4629 | 5038 | | | | | | |
| Number seen within 30 minutes | 2899 | 3532 | 4123 | 3013 | 4084 | 4011 | | | | | | |
| % seen in 30 minutes | 71% | 73.4% | 89.1% | 66.0% | 88% | 80% | | | | | | |

| Counter - Average wait time (in minutes) | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Average wait time (mins) | 73 | 41 | 26 | 39 | 21 | 22 | | | | | | |

| Call Centre (Council Tax Line) | | | | | | | | | | | | |
|---------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Calls presented | 12862 | 12290 | 13997 | 12436 | 11429 | 12266 | | | | | | |
| Answered | 11737 | 10951 | 12871 | 11384 | 10163 | 11078 | | | | | | |
| Abandoned | 1081 | 1292 | 1091 | 1025 | 1234 | 1141 | | | | | | |
| Engaged | 2350 | 1637 | 1369 | 626 | 611 | 705 | | | | | | |
| % of calls answered in 15 seconds | 56.0% | 53.0% | 60.0% | 55% | 52.0% | 57.2% | | | | | | |
| % of calls answered in 5 minutes | 88.0% | 84.0% | 91.6% | 88.7% | 85.5% | 87% | | | | | | |
| % abandoned | 8.4% | 10.5% | 7.8% | 8.3% | 10.8% | 9% | | | | | | |
| Average time to answer (secs) | 53 | 68 | 48 | 56 | 59 | 56 | | | | | | |
| Average call duration (secs) | 276 | 296 | 299 | 288 | 304 | 290 | | | | | | |

5.0 Financial Implications

- 5.1 Any failure to maximise collection of Council Tax and NNDR will impact on the Council's cash flow and budgetary provision for current and future years.

6.0 Legal Implications

- 6.1 There are no direct legal implications arising from this report.

7.0 Diversity Implications

- 7.1 There are no direct diversity implications arising from this report.

8.0 Staffing/Accommodation Implications (if appropriate)

- 8.1 There are no direct staffing implications arising from this report.

Background Papers

Contact Officers

Margaret Read - Head of Revenues and Benefits

Paula Buckley - Head of Client

Appendix 1 – Comparison with other authorities

| Council Tax | | | | |
|---------------------|-------------|-------------|-------------|-------------|
| Inner London | 2005-06 | 2004-05 | 2003-04 | 2002-03 |
| City | 96.8 | 98.0 | 98.2 | 97.6 |
| Camden | 95.2 | 92.9 | 93.4 | 92.7 |
| Greenwich | 93.2 | 93.7 | 93.3 | 92.8 |
| Hackney | 87.5 | 84.4 | 79.3 | 79.5 |
| H & F | 95.3 | 95.2 | 95.2 | 95.1 |
| Islington | 93.2 | 90.6 | 90.5 | 88.4 |
| K & C | 96.0 | 95.8 | 95.5 | 95.6 |
| Lambeth | 93.1 | 92.0 | 88.7 | 90.1 |
| Lewisham | 94.0 | 93.7 | 93.7 | 93.7 |
| Southwark | 93.0 | 93.2 | 92.0 | 92.0 |
| Tower Hamlets | 94.5 | 92.6 | 92.5 | 91.8 |
| Wandsworth | 95.0 | 94.3 | 94.9 | 94.8 |
| Westminster | 94.8 | 94.1 | 93.1 | 93.5 |
| <i>Brent</i> | <i>92.7</i> | <i>92.7</i> | <i>90.6</i> | <i>89.5</i> |
| Outer London | | | | |
| B & D | 93.0 | 91.3 | 92.0 | 91.8 |
| Barnet | 95.3 | 95.1 | 95.5 | 96.2 |
| Bexley | 95.6 | 95.6 | 95.9 | 96.0 |
| Brent | 92.7 | 92.7 | 90.6 | 89.5 |
| Bromley | 97.0 | 97.1 | 96.8 | 96.4 |
| Croydon | 93.9 | 92.8 | 93.3 | 94.7 |
| Ealing | 95.6 | 93.8 | 95.4 | 94.6 |
| Enfield | 95.4 | 95.3 | 95.0 | 94.6 |
| Haringey | 93.4 | 93.2 | 93.1 | 92.5 |
| Harrow | 97.1 | 97.5 | 98.0 | 97.2 |
| Havering | 96.9 | 96.8 | 96.4 | 95.9 |
| Hillingdon | 94.8 | 95.3 | 95.2 | 95.2 |
| Hounslow | 94.6 | 94.6 | 93.0 | 93.8 |
| Kingston | 96.8 | 96.7 | 96.6 | 96.5 |
| Merton | 97.2 | 96.9 | 96.6 | 96.5 |
| Newham | 90.5 | 91.0 | 91.0 | 90.0 |
| Redbridge | 94.6 | 95.5 | 95.6 | 95.7 |
| Richmond | 98.1 | 97.4 | 97.9 | 97.6 |
| Sutton | 98.0 | 98.0 | 98.3 | 97.3 |
| Waltham Forest | 93.0 | 91.4 | 89.7 | 93.0 |

| Inner London | Non-Domestic Rates | | | |
|----------------|--------------------|-------------|-------------|-------------|
| | 2005-06 | 2004-05 | 2003-04 | 2002-03 |
| City | 96.1 | 98.4 | 99.4 | 98.7 |
| Camden | 98.8 | 98.7 | 97.5 | 97.0 |
| Greenwich | 98.1 | 96.7 | 98.1 | 98.2 |
| Hackney | 97.6 | 97.0 | 96.3 | 97.1 |
| H & F | 99.2 | 98.9 | 99.4 | 99.3 |
| Islington | 96.3 | 96.7 | 97.0 | 92.5 |
| K & C | 99.2 | 99.2 | 99.3 | 99.1 |
| Lambeth | 98.3 | 98.1 | 98.0 | 97.4 |
| Lewisham | 98.9 | 98.5 | 98.9 | 99.0 |
| Southwark | 98.4 | 98.0 | 99.9 | 99.6 |
| Tower Hamlets | 99.4 | 99.2 | 99.2 | 98.3 |
| Wandsworth | 98.7 | 98.6 | 98.4 | 98.4 |
| Westminster | 98.2 | 98.1 | 98.0 | 97.9 |
| <i>Brent</i> | <i>98.3</i> | <i>97.7</i> | <i>96.4</i> | <i>94.7</i> |
| Outer London | | | | |
| B & D | 99.3 | 99.7 | 99.4 | 98.4 |
| Barnet | 97.6 | 97.2 | 98.9 | 98.9 |
| Bexley | 99.0 | 99.0 | 99.0 | 98.8 |
| Brent | 98.3 | 97.7 | 96.4 | 94.7 |
| Bromley | 99.6 | 98.7 | 98.5 | 96.8 |
| Croydon | 96.7 | 97.6 | 97.7 | 99.6 |
| Ealing | 98.1 | 97.4 | 98.9 | 99.0 |
| Enfield | 98.6 | 98.5 | 98.2 | 98.9 |
| Haringey | 99.0 | 98.6 | 98.4 | 96.5 |
| Harrow | 97.4 | 98.1 | 99.1 | 99.2 |
| Havering | 97.5 | 97.5 | 96.2 | 96.0 |
| Hillingdon | 98.9 | 98.7 | 98.4 | 98.4 |
| Hounslow | 99.8 | 98.8 | 98.6 | 98.8 |
| Kingston | 98.1 | 99.7 | 98.3 | 98.4 |
| Merton | 98.7 | 98.5 | 99.3 | 99.0 |
| Newham | 99.2 | 99.2 | 98.7 | 97.7 |
| Redbridge | 97.6 | 98.6 | 98.2 | 98.9 |
| Richmond | 97.3 | 96.8 | 97.4 | 96.4 |
| Sutton | 98.5 | 98.9 | 95.9 | 99.2 |
| Waltham Forest | 96.1 | 97.9 | 96.3 | 95.4 |

Appendix 2 – Action / Improvement Plan

CAPITA BUSINESS SERVICES LTD

Council Tax Collection 2006/07

London Borough of Brent

| | |
|----------|-----------|
| Author: | Sue King |
| Version: | 1.3 |
| Date: | June 2006 |

Capita Business Services Ltd, 9th Floor Brent House

**Part of the Capita Group Plc, 71 Victoria Street,
Westminster, London, SW1H 0XA Registered in
England No.2299747**

CAPITA

Document Revision History

| Issue | Date | Purpose | Author |
|-------|-----------------------------|----------------------------|----------|
| 1.0 | 20 th March 2006 | Initial Draft | Sue King |
| 1.1 | 19 th April 2006 | Ist issued draft | Sue King |
| 1.2 | 4 th May 2006 | Final Draft | Sue King |
| 1.3 | June 2006 | Revised collection profile | |

Distribution

| Name | Organisation | Role |
|-----------------|--------------|-----------------------------|
| Duncan McLeod | LB Brent | Director of Finance |
| Margaret Read | LB Brent | Head of Revenues & Benefits |
| Paula Buckley | LB Brent | Client Manager |
| Mark Chapman | Capita LGS | LGS Director |
| Neil Smith | Capita LGS | LGS Contract Director |
| Bismark Boateng | Capita LGS | Asst Contract Manager |
| Adrian Bates | Equita | Equita Client Manager |
| Mick Wade | Equita | Director |

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 - 2. Action plan**
 - 3. Monthly collection Profile**
 - 4. database cleansing**
 - 5. key activities**
 - 6. suppressed accounts**
 - 7. Bailiffs**
 - 8. Arrears**
 - 9. Conclusion**
-

1. Introduction

Capita has a contractual target to achieve 94% collection for the year ending 31st March 2007, Collection for 2005/06 was 93.56% achieving the target set and in line with the profile for a significant period during the year. Excluding costs collection for 2005/06 was 90.76% compared to 90.72% in 2005/06.

The 2003/4 arrears achieved a collection of 94.44% in 2005/06, an increase of 0.94% and the 2004/5 arrears achieved 94.92% an increase of 1.51% within the year.

The pre-contract arrears total to 31st March 2006 was (TBA) exceeding the target of £4m.

This document details the proposals to maintain the Council Tax collection and achieve the 0.5% additional target for in year as well as the actions to be undertaken to increase the collection of arrears for both pre and post contract.

2. Council Tax Action Plan 2006/07

The Council Tax Action Plan for 2006/07 is a combination of initiatives and service improvements which have already been made to the Contract and now form part of the standard processes, together with proposed improvements identified during the year. Recommendations made via the business process review, commencing in mid April and further business developments, as a result the implementation of the new View 360 software, will be identified and added to the plan throughout the year.

3. Monthly Collection Profile for 2006/07

The attached profile has been estimated using the current information held on the volumes of DD and Cash Payers along with the trends shown in payers over the last two years. Although the Prompt Payment Discount (PPD) was withdrawn in 2004/05 there are still a significant number of payers who pay the full amount in April and this is difficult to predict.

It is therefore suggested that the profile be re examined in early May when management information will be available on the payments made in April which will enable us to produce a more accurate forecast for the rest of 2006/07.

| | Apr | May | Jun | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2003/2004 | 23.35 | 29.02 | 34.84 | 40.47 | 46.53 | 52.98 | 60.14 | 66.54 | 72.98 | 79.54 | 85.39 | 90.97 |
| 2004/2005 | 13.77 | 22.01 | 29.90 | 37.42 | 44.79 | 52.66 | 60.15 | 67.59 | 74.92 | 81.53 | 87.30 | 93.41 |
| 2005/2006 | 14.11 | 22.60 | 30.51 | 37.70 | 45.21 | 52.91 | 60.44 | 68.07 | 75.46 | 82.31 | 87.78 | 93.56 |
| Monthly % | | 8.49 | 7.91 | 7.19 | 7.51 | 7.70 | 7.53 | 7.63 | 7.39 | 6.85 | 5.47 | 5.78 |
| 2006/2007 | 13.51 | 22.06 | 30.11 | 37.21 | 44.91 | 52.61 | 60.33 | 68.03 | 75.71 | 82.71 | 88.4 | 94.00 |
| Monthly % | | 8.55 | 8.05 | 7.10 | 7.70 | 7.70 | 7.72 | 7.70 | 7.68 | 7.00 | 5.69 | 5.6 |

The current payment profiles for 2006/07 indicate that 43.27% of the debt will be collected by direct debit and the remaining 56.73% by cash and standing order.

The table below shows the breakdown of the 2005/06 achievement of 93.56% based on the different payment methods and the forecasted breakdown for 2006/07

| Payment Type | DD | SO | Cash | Bailiff (including direct payments) | Total |
|----------------|---------------|--------------|---------------|-------------------------------------|---------------|
| 2005/06 | 43.70% | 1.60% | 46.23% | 2.03% | 93.56% |
| 2006/07 | 45.50% | 1.60% | 45.90% | 2% | 94.00% |

The table below shows the payments profiled on the annual bills produced in March 2006. These profiles will obviously change during the year when amendments to accounts are made and accounts move into the recovery cycle, losing the instalments.

| Profiled Instalments | | | | | | | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------|
| | Apr-06 | May-06 | Jun-06 | Jul-06 | Aug-06 | Sep-06 | Oct-06 | Nov-06 | Dec-06 | Jan-07 | Feb-07 | Mar-07 | Total |
| Cash | 5.52 | 5.18 | 4.71 | 4.92 | 4.91 | 4.92 | 49.1 | 4.91 | 4.91 | 4.91 | 0.91 | 0.35 | 51.05 |
| DD | 3.64 | 3.79 | 3.85 | 3.90 | 3.89 | 3.89 | 3.90 | 3.89 | 3.89 | 3.89 | 3.89 | 3.89 | 46.32 |
| SO | 0.18 | 0.16 | 0.14 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.15 | 0.00 | 0.00 | 1.51 |
| Total | 9.34 | 9.13 | 8.70 | 8.96 | 8.95 | 8.95 | 8.96 | 8.95 | 8.95 | 8.95 | 4.80 | 4.24 | 98.88 |

At this stage these figures can only be used as an indicator. The Direct Debit percentage should increase as there has already been over 500 new direct debit mandates received in March and the cash figure will reduce as accounts move on to pre and post bailiff stages.

The reports for profiled payments will be continually run at the end of each month to use as a guideline ensuring that the proposed profile to achieve 94.00% is in line with payments on accounts.

4. Database Analysis and Cleansing

During 2005/06 it became evident that although the current database was cleansed on an ongoing basis the arrears accounts, especially pre contract, still hold numerous irregularities. A number of these have surfaced following the increase in the volume of post liability collection focusing on Bankruptcies and Charging Orders.

Within 2006/07 the data cleansing will focus on pre 2003 debts where no activity can be identified on the account. This exercise will be aided by the write off programme which will reduce the volume of accounts selected allowing the focus to be on collectable debts. The following checking methods will be used on accounts:

- Canvass the property,
- Land registry searches
- Property Visit – Inspection or Recovery team
- Local Authority Housing/Benefit Database
- Electoral Registration
- Landlord details
- Right to Buy

The regular updating of LBB tenancy changes, Housing Association changes, reduction of correspondence levels and increased property inspection turnaround will continue through 2006/07 to ensure that information is recorded on the system speedily and new bills are sent at the earliest opportunity.

To date the level of 'Gone Away' bills returned from the 2006/07 annual billing programme is (TBC) compared with 856 from the 2004/05 programme. This is a direct reflection of the 'cleaner' data held in SX3 and the housekeeping practice of actioning 'Gone Away' bills as soon as possible will continue through 2006/07. The close relationship that has been formed between the Housing Benefits and Council Tax departments will be utilised to ensure that information on properties is related to the relevant parties as quickly as possible reducing the level of 'Gone Away' returns and LA errors on Benefits accounts.

The cleansing of the database during 2006/07 will also include a timetable of reviews for exemptions and discounts. New procedures were introduced in 2005/06 and these will be expanded in 2006/07. In addition it had been highlighted that a number of exemption/discounts did not have an end date on the system, these are now monitored monthly and corrected on a regular basis.

There are also a number of other activities being undertaken in 2006 to ensure data is accurate:

- Housekeeping exercise identifying 'Council Tax Payer' accounts
 - Reconciliation of properties and payments will be conducted quarterly with LBB housing to identify anomalies with the housing database in a timely manner. Although this procedure was put in place during 2005/06 only 2 of the 4 schedules issued by Council Tax were finalised by housing. During 2006/7 it is expected that this will be increased to the 4 required each year.
 - The option of issuing of notices in a variety of languages will increase the level of contact from the Council Tax payer and encourage accurate information.
 - Continue with regular reconciliation of the Valuation Officer list – To be completed after every VO update schedule has been loaded onto the system.
 - Improved Inspections – one of the key activities identified in this plan
 - Close monitoring of the empowerment of the Customer Services team to highlight any areas of concern in gaining the correct information, obtaining forwarding addresses, closing accounts, issuing refunds, recording information on notebooks etc.
 - Explore the possibility of gaining information on property sales via the Land Searches
 - Arrangements with tax payers where possible to include all debt.
 - Debits and Credits for the same account holder to be identified and credits transferred to offset debits.
 - Work to be done to identify those who have part paid and made no payments for 2004/05 and other years. Identify can't pays from won't pays.
 - For part payers consideration to be given to targeted benefit take up campaign.
-

5. Key Activities

During 2006/7 the recovery timetable will continue with a high volume of activities. The proposed plan has already been discussed at the Customer Service liaison meetings but will continue to be revisited throughout the year to ensure that all the appropriate debtors are advised of outstanding debts as quickly as possible.

In addition to the recovery programme there are a number of other campaigns and activities occurring during the forthcoming year;

- | | |
|------------------|--|
| Bankruptcies | During 2005 it was decided that the volumes of bankruptcies included in the contract, 200 Statutory Demands with 20 moving to full bankruptcy, would not be sufficient for the volumes and types of debts going through the recovery cycle. After consideration of various options it was proposed that new cases be progressed via Prolegal. In 2006/07 as many appropriate cases as possible, within the financial restrictions, will be issued with Statutory Demand and then a selection of 'cherry picked' accounts will be progressed to full bankruptcy. The numbers will be in excess of the contracted cases and additional ways to finance these will be explored. |
| Charging Orders | During 2005 it was identified that the threat of losing a home could be a deterrent for the longer term, persistent non payers. A number of cases have been selected and will progress to court hearings during the first quarter of 2006/07. For appropriate cases we will also be requesting to force the sale of the property and although this will be for to the court to decide we will ensure that the selection of cases are the ones which are likely to be looked on more favourably by the judge. |
| View 360 Project | The implementation of the new View 360 DIP system in November 2005 gave the opportunity to review working practices and develop improved business processing. During 2006/7 a number of enhancements have already been identified for development and implementation including; SX3 Integration, Email Fax and WebForms integration, importing of housing data, death lists, new development list, VO updates and BACS returns: trigger indicators for vulnerable, Councillors and HMO's, automatic importing of bailiff returns and SX3 letters: hot keys to housing, electoral role and planning: automatic requests for information/visits on 'gone aways' and CTAX payer accounts: development of the dashboard to identify workloads and improve turnaround times. As new working |
-

practices are identified then additional enhancements will be incorporated into the project.

- SX3 Integrator** Brent have recently purchased the SX3 Integrator and a project is commencing in April 2006 to identify and implement the opportunities that this will bring to the revenues user.
- SX3 Cash Allocation** It is anticipated that during 2006/7 SX3 will update the software to allow the current cash allocation rules to be varied by the use of additional parameters. Once this option is available testing will start and the feasibility of implementing this to the live system will be evaluated. The option of transfer from a multi year site to a single year site is to be explored.
- Process Review** Between April and September 2006 a revenues process review is being undertaken to re-evaluate working practices and consider changes in conjunction with the new View 360 and SX3 Integrator.
- Court Activity** Brent has continually been obstructed from the recovery of debts due to the current limitation on court time, administration and organisation. During 2006/07 the avenue of using different courts will be used to increase volumes and administration of summonses, aid the committal process and reduce the turnaround times of recovery with laser signatures.
- Bailiff Turnarounds** The current SLA with the bailiff gives 6 months for debts passed to them to be collected, arrangements made or the debt to be returned for further action. During 2006/07 monitoring will focus on debts held by the bailiff for an additional period of time for no apparent reason.
- Parking Database** Access has now been given to the database which holds details of vehicle registrations for Brent residents who have applied for a parking permit or have an outstanding parking fine. During 2006 the database will be used to identify car details for non payers where the recovery of a vehicle could result in payment of the debt.
- Write Off's** To date there has been no bulk write off of arrears by Capita. During 2006/07 aged debt will be analysis and parameters identified to allow the bulk write off of old debts. This will reduce the volumes of data currently held within the live database and aid the data mining and mapping exercises being used to facilitate the recovery of arrears.
-

| | |
|---------------------|---|
| Complaints Analysis | Regular meetings will be held with all parties involved in the complaints system to analysis past complaints and identify methods of reducing the levels of complaints and improving the service delivery. |
| Reviews Project | During the first quarter of 2006/07 a project will commence to transfer the discount and exemption reviews onto a rolling review to spread the impact of withdrawals and improve the efficiently and administration of reviews in general. Initial investigations show that the majority of these could be initiated directly from the SX3 communications module to allow for reminders and withdrawals in bulk. However, the previous practice of comparing the SPD data with electoral role and housing benefit information may be restricted if the SPD is to go via SX3. The project will identify the most efficient option to use for the future. |
| Publicity Campaigns | There are a number of publicity campaigns proposed for 2006/7 using various different media such as Decaux, Internet, local press and posters. The initial focus will be on bankruptcies and possession of properties via charging orders. Future campaign will include Direct Debit, bailiffs and car clamping. |
| Data Mapping | During April 2006 data has been exacted from the SX3 database, initially on accounts that have post liability debt. This will be mapped around the borough by ward and used, in conjunction with other data, to identify pockets of areas of non payment. Future mapping will include the general census comparison to focus benefit campaigns for pensioners, direct debit campaigns and other debt strategies. |
| Data Mining | As part of the recovery arrears strategy for 2006/7 data mining will be used to identify accounts which are assessed to be in a category that will prove to be the most successful to collect. |
| Customer Services | During 2006/7 the monitoring of Customer Services in their duties relating to the empowerment matrix will be increased. This will be used to reduce the levels of incomplete information captured, reduce CTAX payer accounts, improve the refund procedure and highlight any areas of additional training required. |
| Inspections Reviews | As well as forming part of the general business review a separate review is being undertaken focusing on the current working practice of issuing visit requests via the View 360 system. The current practice does not allow |

for a full proof method of tracking the completed visits and still relies on a high level of manual intervention. The SX3 system has an inspection module and the full functionality will be explored before it is decided if further improvements on the View 360 system would result in greater efficiency. The feasibility of varying the times of the inspections will also be explored to gain efficiency in gathering information along with the use of handheld devices.

Sharing info with HMO's

The legislation for landlords with HMO's has recently changed forcing them to register their premises with the Local Authority. A project is underway to set up an exchange of information to enable the Council Tax department to identify these property and assess the correct liability under the Council Tax legislation.

Kirona This middleware will undergo a trial in the Inspectors Team to ascertain if it can enhance the efficiency of inspectors accessing data externally.

AOE During 2006/07 the practice of obtaining Employer's details at every opportunity will be expanded.

Review Recovery Policy with the Client Team

The current Recovery Policy is under review and will include revisions and analysis on number of payments, type of debt, ability to pay, previous history, level of debt, age of debt etc.

Cash allocation As the cash allocation process within the software system continues to be a hindrance to analysing the true position of the collection, activities will continue to explore the possibilities of changing the cash allocation rules (upgrade to the software due shortly), reallocating cash and identifying soft cash which can be hard allocated to the system.

Means Enquiry Form As part of the Recovery review Means Enquiry forms will be issued to relevant cases enabling the recovery team to assess the payment arrangements in line with the household income. These forms will also be made available via Customer Services and the web.

6. Suppressed Accounts

All suppressions are under regular review and there are no current issues. Reports are run monthly and any accounts with suppression over 28 days are individually investigated. In addition, to ensure that accounts are not continually suppressed for less than 28 days at a time, a monthly report is run highlighting any accounts with recurring suppressions

7. Bailiffs

The percentage of debt collected by Equita in 2005/6, including direct payments, was £1.81m equating to 2.03% of the collectable debt. This was £30K above the profiled target of 1.78m.

The volume of referrals to the bailiff is anticipated to decrease during 2006/7 due to the expected increase in payments at bill, reminder, final and summons stages. Therefore, the new Equita target will be set at 2% of the 2006/7 collectable debt.

During 2006/7 focus will be on the length of time debts are being held by the bailiff. The object of the strategy for 2006/7 is to identify bottlenecks in the processes and find ways to move debts on to a stage of recovery where further progress can be made with collection of the debt or, where the debt is deemed uncollectible, is written off. Cases with the bailiff will be closely monitored to ensure punctual return of cases where there is no form of contact or prove uncollectible, particularly within the first six months.

Returned cases from Equita will now be identified by a number of different reasons, especially where a debt is marked Nulla Bona. This will allow debts to be progressed to the next stage in bulk i.e. Nulla Bona – gone away, will be traced but Nulla Bona – no access may be passed to Newlyn's.

The filtering out of debts where other methods of recovery have proved successful in the past will continue. An example would be where we have successfully undertaken an Attachment of Earnings on a debt before and we retain the details of employment, in this case the attachment will be reinstated thus allowing the Bailiffs to concentrate on those cases where we have no other alternate recovery route open to us. This procedure has proved successful in a number of cases in 2005/06

During 2005/6 a number of Saturday blitz's were made and as these proved a successful way to make an initial contact with non payers will continue during 2006/7.

Bailiffs will also explore the possibility of blitzing the borough with an increased number of bailiffs on a variety of specified days. This will be used in line with some of the publicity campaigns to have the maximum impact.

The access to the parking database will be used to give as much information to the bailiff as possible enabling them to identify debtor's possessions and take action at the earliest opportunity.

Once the uncollected cases are returned, the Recovery Department in Bromley are responsible for arranging for each case to be logged back onto the system. These cases are then passed on for progression in one of the following areas:-

- Attachment of Earnings/Benefits
 - Bankruptcy/Charging Order
 - Internal Tracing
 - Property Visit
 - Evaluation
 - Write offs
 - Tracing
 - Referral to another bailiff company (Newlyn Collections Services Ltd)
-

8. Arrears

Although there were no contractual targets for 2005/06 on pre contract arrears, as these had been previously exceeded, there was an expectation to achieve £5m by 31st March 2006. This was exceeded by TBC. The post contract 2003/04 collection was increased from 93.50% to 94.44%, an increase of 0.94% and the 2004/05 collection increased from 93.41% to 94.92%, an increase of 1.51%

The focus on arrears in 2006/7 will be on post contract years of 2003/4 and 2004/5. During 2005/6 additional resources were added to the recovery team and these will continue during 2006/7 to support some of the key activities. These include; increased bankruptcies, charging orders, data mining, internal tracing, revised collection strategies including means testing, supporting of debt counselling and filtering of debts sent to the bailiffs.

The categories of Summons and Liability Orders will be checked after each court case to ensure all cases have been progressed and are not restricted.

Accounts with the Bailiff will be monitored to ensure all cases which have been at the bailiff for 6 months and no contact or payment has been made are promptly returned and progressed.

Accounts on Summar, AOE and AOIS will be monitored on a regular basis. Contact via telephone will be initiated or the debt progressed to bailiffs or bankruptcy.

The On Hold categories will be monitored monthly and the hold withdrawn as soon as the relevant action has been taken e.g. benefit awarded, payment made etc.

Further analysis of the arrears debts will continue along with a number of other activities including:

- Identifying and reviewing the top 100 debts on a monthly basis (Including combined debts)
 - Identifying home owners via Land Registry (possible Charging Order)
 - Identifying other Council debts (possible joint recovery action)
 - Identifying Right to Buy cases (confirm CTax paid)
 - Increase Housing Association Liaison (forwarding addresses etc.)
 - Identify large Landlords (benefit payments)
 - Support all Summar arrangements with employment details
 - Run regular benefit reports to identify accounts with HB but no CTB
 - Search Benefits database for Employment details or NI numbers
 - Car details on the parking database
 - Means enquiry forms sent at summons stage
 - Increased internal visits from dedicated recovery officer
 - Data mining to identify pockets of debt
 - Clearing of the database via write offs
 - Increase Customer Service awareness of arrears collection strategy
 - Revision of payments accepted once recovery notices are issues
 - Increased court time and improved administration
 - Identify and link credit accounts
 - Notify Brent employees of thier obligations via pay advices
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9. Conclusion

2006/7 is set to be a very busy year. We have attempted to identify the key changes needed to achieve a 94% collection rate and improve service delivery but there will be further improvements and initiatives identified once Phase 3 of the View 360 project is implemented and the business process review is completed