

Appendix 1

Claudine Douglas-Brown
Exchequer Manager
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Date: 20 June 2014

Our Ref: AIF/GT

Dear Claudine

As we approach the July 2014 Executive & Resources PDS meeting 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 1st April 2013 to 31st March 2014.

Debtors and Income

The in-year collection figure on sundry debts was 73.04% as at 31st March 2014, which generated income of £29.96m.

The current year's collection figure was impacted by a number of factors with the main one being the timing of receipt of invoice requests from the different service departments. The value of invoices raised in the last 4 months of the year increased from £15.9m in 2012/13 to £21.6m in 2013/14, a rise of 36%.

The value of invoices raised and issued in March 2014 was £9.7m, which was £0.4m more than the previous year. However, a greater number of these invoices were received towards the end of March than in previous years. This reduced the time available to recover the debt. As a result the value of invoices raised in the last two weeks of the year that were still outstanding at the year-end increased from £1.21m in March 2013 to £6.70m in March 2014.

If we adjust the collection rate to take account of £1.1m of in year invoices which were on hold, and so were irrecoverable at year end, and the £3.8m of income delayed due to timing and supplier issues, the revised collection rate would be 85%.

Liberata continues to work in partnership with service departments to improve collection and recovery. Liberata regularly meets with London Borough of Bromley staff to discuss arrears and proposals for process changes in order to improve the service to our customers and to increase collection. Trials with alternative debt collecting agencies are continuing together with pro-active collection activities within the team.

The need for Nightly Paid Accommodation continues to rise. As such an additional resource was allocated to increase the amount of income recovered. The original target was to increase payments from debtors by £65k this financial year. The actual amount of payments received from debtors was £103k (75%) higher than the previous year. In addition the amount collected from Housing Benefit awards was £857k (29%) higher than the previous year. Liberata continues to work closely with the Temporary Accommodation team to reduce the time taken to set up rent accounts. This, together with process improvements, will improve collection further.

The annual issuing of the Trade Waste contracts went smoothly with £755k of the outstanding debt of £1.731m being covered by direct debit payments.

Accounts Payable

During the year to 31st March 2014 the percentage of invoices that were paid within 30 days increased from 96% in the previous year, to 98%. The percentage paid within 20 days has also increased from 92% to 96% over the same period.

In addition the percentage of suppliers paid by BACS has increased from 85% for the prior year to 87% for the year to 31st March 2014.

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

Yours sincerely

Amanda Inwood-Field
Contract Director