

## Appendix 1

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

Date: 10 December 2014

Our Ref: AIF/GT

Dear Claudine

As we approach the January 2015 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 6 month period 1<sup>st</sup> April 2014 to 30<sup>th</sup> September 2014.

### **Debtors and Income**

The in-year collection figure on sundry debts was 68.55% as at 30<sup>th</sup> September 2014, which generated income of £10.96m.

The mid year collection figure was impacted by a number of factors with the main one being the raising of £1.2 m invoices for the NHS in late September and the increase in Utility charges being disputed with the Service departments. The overall value of disputed invoices has increased from £865k in September 2013 to £1.5m in September 2014.

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. The original 13/14 target was to increase payments from debtors by £65k within the financial year. The mid-year results for 14/15 show that payments received direct from debtors continue to increase with an additional £104k being collected. In addition the amount collected from Housing Benefit awards was £199k (10.6%) 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.

Payment by Direct Debit for Trade Waste has increased with £411k of the £623k outstanding being covered by Direct Debits.

### **Accounts Payable**

During the 6 months from 1<sup>st</sup> April 2014 to 30<sup>th</sup> September 2014 the percentage of invoices that were paid within 30 days was 98%, this matched the percentage for the same period in 2013. The percentage paid within 20 days has increased from 95%, for the comparable period in 2013, to 96% for the current year.

In addition the percentage of suppliers paid by BACS has increased from 86% for the 6 month period in 2013 to 87% for the 6 month period in 2014.

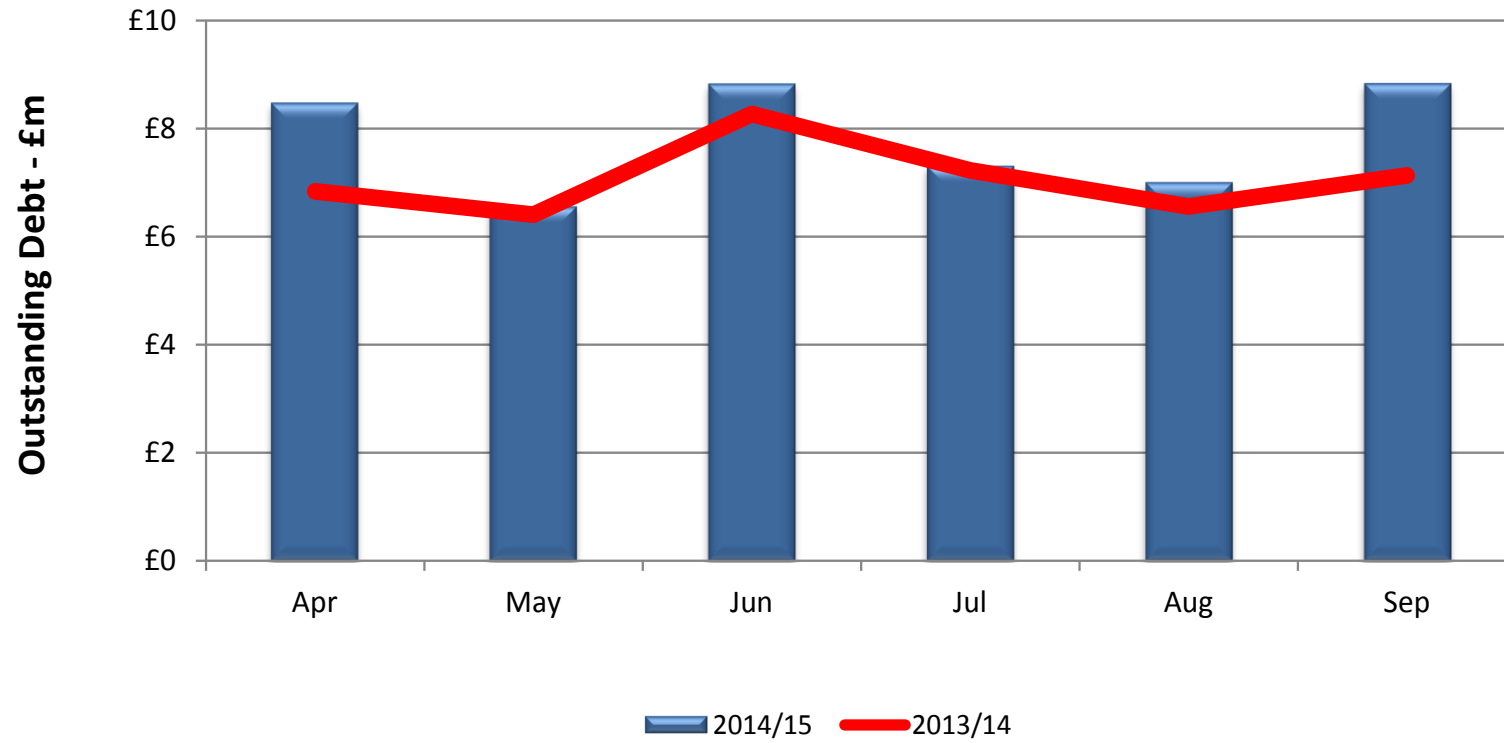
Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely

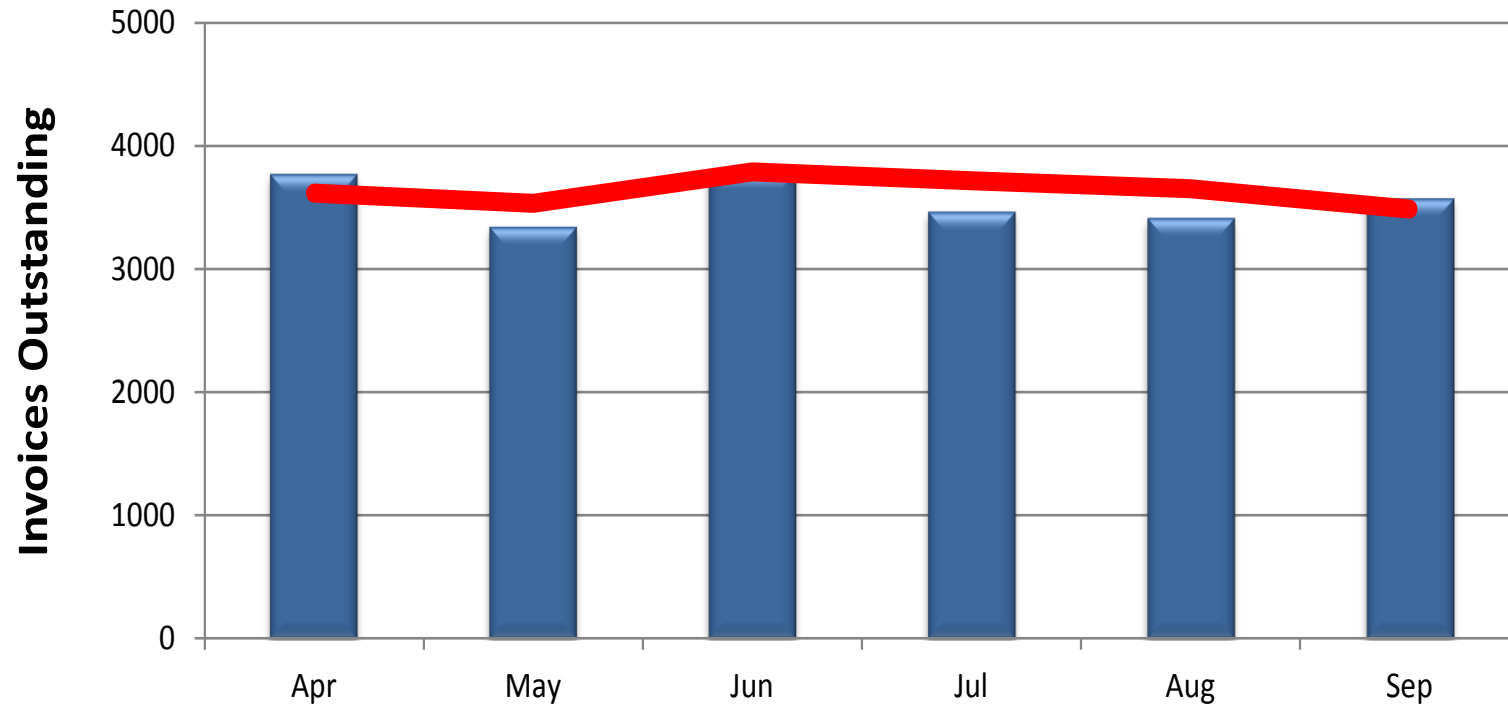
**Amanda Inwood-Field**  
**Contract Director**



### Monthly Comparison of Total Outstanding Debt



### Monthly Comparison of no. of Invoices Outstanding



Total number of invoices outstanding as at 30 September 2014 was 3,572

■ 2014/15    ■ 2013/14

Age Profile of outstanding Utility Debts as at 30<sup>th</sup> September 2014

	Pre 2011	2011/2012	2012/2013	2013/2014	2014/2015	Total Balance
<b>Virgin Media</b>	Nil	Nil	Nil	£109k	£132k	£241k
<b>British Telecom</b>	Nil	<£1k	£20k	£100k	£42k	£162k
<b>EDF</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>UK Power Networks Ltd</b>	Nil	Nil	Nil	£6k	£28k	£35k
<b>Southern Gas</b>	Nil	Nil	Nil	Nil	£29k	£29k
<b>Thames Water</b>	Nil	£3k	£30k	£297k	£329k	£659k
<b>ASB Contractors</b>	Nil	Nil	£2k	Nil	Nil	£2k
<b>ES Pipelines</b>	Nil	Nil	<£1k	Nil	Nil	<£1k
<b>ESP Electricity</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>Network Rail</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>Gas Transportation Co</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>JSM Construction</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>Fulcrum Pipelines</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>Romec</b>	Nil	Nil	<£1k	Nil	<£1k	<£1k
<b>Orange PCS</b>	Nil	Nil	<£1k	Nil	Nil	<£1k
<b>O2</b>	Nil	<£1k	<£1k	<£1k	<£1k	<£1k
<b>T-Mobile UK Ltd</b>	Nil	Nil	Nil	<£1k	Nil	<£1k
<b>Vodafone Group plc</b>	Nil	Nil	Nil	<£1k	<£1k	<£1k
<b>Total</b>	<b>Nil</b>	<b>£4k</b>	<b>£52k</b>	<b>£513k</b>	<b>£562k</b>	<b>£1131k</b>

## Overall Recovery Position of outstanding Utility Debts as at 30<sup>th</sup> September 2014

Utility	Total under 30 days old	Total over 30 days old	Total outstanding	Value of invoices in dispute	Marked for write-off
Virgin Media	£63k	£178k	£241k	£44k	Nil
British Telecom	£22k	£140k	£162k	£43k	Nil
EDF	Nil	Nil	Nil	Nil	Nil
UK Power Networks Ltd	£15k	£20k	£35k	Nil	Nil
Southern Gas	£27k	£1k	£29k	Nil	Nil
Thames Water	£78k	£581k	£659k	£330k	Nil
ASB Contractors	Nil	£2k	£2k	Nil	£2k
ES Pipelines	Nil	<£1k	<£1k	Nil	Nil
ESP Electricity	<£1k	<£1k	<£1k	<£1k	Nil
Network Rail	<£1k	<£1k	<£1k	Nil	Nil
Gas Transportation Co	<£1k	<£1k	<£1k	Nil	Nil
JSM Construction	Nil	<£1k	<£1k	Nil	Nil
Fulcrum Pipelines	<£1k	<£1k	<£1k	Nil	Nil
Romec	Nil	<£1k	<£1k	Nil	Nil
Orange PCS	Nil	<£1k	<£1k	Nil	Nil
O2	Nil	<£1k	<£1k	Nil	Nil
T-Mobile (UK) Ltd	Nil	<£1k	<£1k	Nil	Nil
Vodafone Group plc	Nil	<£1k	<£1k	Nil	Nil
<b>Total</b>	<b>£206k</b>	<b>£925k</b>	<b>£1,131k</b>	<b>£418k</b>	<b>£2k</b>

### Collection and Recovery

In order to reduce the number of disputed invoices the LB Bromley pre-agrees the annual inspection charges and all other charges with the exception of Defects.

LB Bromley is meeting Thames Water to discuss disputes and invoices over 30 days old.

A County court claim is an available recovery option but there are two issues which impact on success in respect of debts raised by the New Roads and Street Works department:

- A claim should only be issued once all disputes are resolved. Under the HAUC (Highways and Utilities Committee) code of practice late disputes are accepted by LB Bromley.

- If a case is defended the judge can refer the local authority to arbitration and the HAUC code of practice.



### Monthly Comparison of the Value of invoices Raised

*(Total amount invoiced - 13/14 = £16.5m, 14/1 = £16.7m +1% increase)*

