

Appendix 1

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

10 June 2015

Our Ref: AIF/RJ

Dear Claudine,

As we approach the July 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 12 month period 1st April 2014 to 31st March 2015.

Debtors and Income

The in-year collection figure on Sundry Debts was 88.85% as at 31st March 2015, which generated income of £35.94m.

Our target collection figure for the year was 89%. However, our actual collection was adversely affected by a number of factors with the major ones being that there was £575k of in year debt in dispute at the year end. This meant that Liberata were unable to take recovery action on this debt. In addition there was Community Infrastructure Levy debt of £395k which was raised during the year but was not payable until after the year end. If we adjusted our year end collection figure for these two items then our collection rate would have been 91.08%. Future year's collection figures will be stated after taking account of these adjustments in order to give a true indication of performance.

The target collection rate for out of year debt was 91.1% while the actual collection achieved was 79.73%. However, once the figures had been adjusted for uncollectable debt e.g. those debts in dispute, secured by charges on property, awaiting write off, etc. the adjusted collection rate was 84.44%. This meant that overall there was a shortfall in cash recovery terms based on the actual collectable debt for all years of £114k.

In order to ensure that future collection targets are met we have been working on a project to improve our debt recovery systems. During the year Liberata submitted a successful joint application for £344,000 of funding from the Department for

Communities and Local Government to develop and implement a Community Debt solution for both Bromley and Pendle Councils. This will allow data concerning an individuals' debt to be extracted from different systems and presented in a single screen to give a consolidated view of their debt position. We will be extracting debt information from the systems covering Sundry Debts, Domiciliary Care Debt, Council Tax, Housing Benefit Overpayments, Trade Waste and Business Rates. This will give a number of benefits which will include:

- Improved debt collection – improving the visibility of a client's debt position will lead to an increase in recoverability.
- Improved customer experience – rather than being chased separately by the different debt recovery teams, the customer can be chased once in order to discuss all of their debts.
- Improved debt management – the consolidated view of a customer's debt will aid early intervention in cases where they may be experiencing financial difficulties. The sooner their debt position can be addressed the more likely that a realistic and achievable repayment plan can be put into place to prevent additional costs from being incurred by the customer.

The total year end debt figure for Utilities was £595k which was a reduction of £372k (35%) on the previous year. Although good progress has been made in this area there were still on-going problems concerning Thames Water. Their year-end debt figure of £303k made up half of our total amount and this is being handled through direct discussion between Thames Water and the Council.

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.

The need for Nightly Paid Accommodation continues to rise and this has resulted in an increase in the volume of debts associated with this area. A target was originally agreed with the Council to increase the amount of payments from debtors by £65k compared to the 2012/13 total. The full year results show that payments received direct from debtors exceeded this target by £161k. In addition the amount collected from Housing Benefit awards was £463k 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.

Accounts Payable

During the year to 31st March 2015 the percentage of invoices that were paid within 30 days was 98%; this matched the percentage for previous year. However, the percentage paid within 20 days has increased from 95%, for the previous year, to 96% for the current year.

The percentage of suppliers paid by BACS has remained constant at 87% for both the current and previous year.

Financial Assessment and Appointee & Deputyship Teams

The Financial Assessment & Management Team transferred from the Council to Liberata on 1st October 2014. The Appointee & Deputyship Team transferred on 5th January 2015.

Whilst it is still too soon to comment on any possible service improvements, we have been able to maintain the pre transfer levels of service whilst delivering the agreed 20% of savings to the Council.

In addition we have a number of transformational projects currently in process which will have a positive impact on the team's performance; these include the introduction of internet banking for the Appointee and Deputyship team. This will free up resources which will allow them to deal with the new tasks that were introduced just before their transfer concerning the Councils new charging and investment policies. For the Financial Assessment & Management Team we are currently working to automate the production of various control reports as well as introducing work flow to improve the monitoring of their activity and individual team members productivity. We have undertaken a review of the written documentation that is issued to clients as part of the reassessment process. The aim is to improve its clarity in order to reduce the number of queries received from clients and improve the quality of information that they return. We are commencing discussions with the Council to implement a new module of the CareFirst system which will allow the team to produce letters and forms directly from the system. We are also working on introducing a 'risk based' approach to the regular reviews for non-residential cases. This will allow us to prioritise the review work in a more structured way.

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