

## Appendix 1

# Liberata

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Dear Claudine,

As we approach the July 2017 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 to 31<sup>st</sup> March 2017.

### **Debtors and Income**

The in-year collection figure on Sundry Debts for the 12 months to 31<sup>st</sup> March 2017 was 87.51%, which was 3.49% below our target collection rate of 91%. Of the total debt outstanding £4.35m (49.60%) related to debts which were less than 60 days old, and of this amount, £3.8m (43.33% of the total debt) was less than 30 days old.

There were a number of contributing factors which affected our in-year collection and resulted in the 3.49% shortfall, which equated to £1.75m in monetary terms, and these were as follows:

- A number of Community Infrastructure Levy (CIL) invoices, totalling £740k, were raised during the year, all of which had due dates that were after the year end.
- As at the 31<sup>st</sup> March 2017 we had over £1.5m of in-year invoices which were in dispute and so were being reviewed by the service departments. In these cases we are unable to take any further recovery action until the dispute has been resolved. This figure of £1.5m represented a 454% (£1.16m) increase on the previous year's figure.

- Quarterly invoices for rent relating to council owned properties were issued on 31<sup>st</sup> March 2017 and totalled £1.87m, an increase of £1m on the amount raised at the same time in the previous year

If we were to adjust the in-year collection rate to take account of those debts which were deemed unrecoverable as at the end of March 2017, such as those in dispute, awaiting write off or having a post year end due date, the revised collection rate would actually be 91.44% which is 0.44% over target.

The combined out-of-year collection rate up to 31<sup>st</sup> March was 99.45%. Once again we have certain categories of debt where we are unable to carry out recovery action which adversely affected our performance; these debt types include the following:

- Debts in dispute of £418k as at the year end
- Debts secured by Charging Orders placed on the debtors property of £290k, where funds can only be realised once the owner decides to sell their property
- Debts recommended for write off of £401k where no further recovery action can be taken

If we were to adjust our out-of-year collection for the above amounts, together with other unrecoverable debt, our adjusted rate would be 99.73% which was 0.13% above the combined end of year target.

The debt owed by utility companies at the year end was £485k, which was an increase of £101k (26%) on the previous year. This was largely due to a rise in the value of invoices being disputed by the utility companies which increased by £129k to a total of £313k at 31<sup>st</sup> March 2017. The majority of these invoices (£251k) related to British Telecom.

Liberata continues to work in partnership with service departments to improve collection and recovery and look at options and proposals for process changes in order to improve the service to our customers.

The demand for Nightly Paid Accommodation has continued to rise and this has resulted in an increase in the volume of debts associated with this area. During the year payments received direct from debtors totalled £1.22m, which was an increase of £584k (91.2%) on the previous year. The amount collected from Housing Benefit awards was £6.43m which represented an increase of £292k (4.8%) on the previous year.

## **Accounts Payable**

During the year the percentage of undisputed invoices that were paid within 30 days was 99% which is 1% above our target performance figure of 98%, and is in line with our performance for 2016. The percentage of invoices paid within 20 days has increased by 1% to 98% compared to 97% for the previous year

The percentage of suppliers paid by BACS during the year has remained at 89%, which was the same figure achieved in 2016.

### **Financial Assessment and Management Team**

Our client base, as at 31<sup>st</sup> March 2017, totalled 755 clients receiving residential care and 2,337 clients receiving non-residential care. During the year we commenced the implementation of a new automatic uplift process for our residential clients. This automated process will reduce the overall time taken to uplift the client caseload as well as removing the errors that previously arose as a result of the manual process.

### **Appointee & Deputyship Team**

As at 31<sup>st</sup> March 2017 the team had 238 clients of which 172 were for Appointeeship and 66 were for Deputyship. We have migrated client bank accounts onto the Lloyds Link online platform. This provides us with enhanced functionality regarding the ability to manage standing orders and direct debits as well as transferring funds between accounts.

### **Single Financial Assessment Unit**

During the year we undertook the formation of the Single Financial Assessment Unit (SFAU), which comprised of a number of different teams being brought together. The aim was to leverage the synergies which existed between the various financial and entitlement assessment services to create a single team which would increase resilience within the service lines and promote efficient working practices. As such we brought together the Housing Benefits team, Financial Assessment and Management team, Blue Badges and Freedom Pass team, Appointee & Deputyship team and the Corporate Visiting team. Each team requires information from a resident about their finances. Through the development of the SFAU we have been able to deliver an enhanced customer experience by effectively sharing information which would previously have been requested a number of times by the different service lines. We have adopted a 'Tell Us Once' approach to reduce the number of times that a customer has to make contact with the Council.

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**