



Knollys House
17 Addiscombe Road
Croydon CR0 6SR
United Kingdom

T +44 (0)20 7378 3700
F +44 (0)20 7378 3701

www.liberata.com

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

Appendix 1

11 June 2018

Our Ref: AIF/RJ

Dear Claudine,

As we approach the July 2018 Executive Resources & Contracts 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 ended 31st March 2018.

Debtors and Income

We achieved an in-year collection figure on Sundry Debts for the year ended 31st March 2018 of 86.64% which was down against our target rate of 92%. At the year end there were unpaid invoices totalling £10.81m, of which £4.62m (42.71%) related to invoices which were less than 30 days old. There were a number of factors which adversely affected our performance and these included:

- There were over £2.45m of outstanding invoices where we were unable to take any recovery action as either the debt was in dispute or the debt had been placed on hold pending further instructions from the Council. In these cases all recovery action has to remain on hold until the dispute has been resolved or the hold lifted.
- A number of Community Infrastructure Levy (CIL) invoices, totalling £85k, were raised before 31st March 2018 but were not payable until after the year end. As such no recovery action could take place on these invoices.
- There was a substantial increase on the value of invoices that were raised in the final two weeks of the year from £2.57m in 2017 to £4.21m in 2018. The closer an invoice is issued to the year end, the harder it is to ensure funds are collected

before the year end. In this case, the extra £1.64m raised so late in the year represented a significant challenge.

If we were to adjust the in-year collection rate to take account of those debts above then the revised collection would be 92.85% which would be 0.85% above the target.

During the year we collected £6.29m from out-of-year debt which equated to a combined collection rate of 99.46%. Once again we have certain categories of debt where we are unable to carry out recovery action which adversely affects our performance; these debt types include the following:

- Debts in dispute or on hold of £813k as at the year end
- Debts recommended for, or awaiting write off of £506k where no further recovery action can be taken

If the collection rate was to be adjusted to take account of the above amounts then the out-of-year rate would be 99.77%.

Good progress has been made in reducing the total amount of debt owed from utility companies. As at the year end there was £316k still outstanding, which represented a decrease of £169k (35%) from the previous year. The main debtor in this area continues to be British Telecom whose debt makes up 63% of the total for this sector. However, we have still seen a reduction in their debt amount of £50k down to a year-end total of £201k.

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.

As in previous years we have continued to see a rise in the demand for Nightly Paid Accommodation; however a reduction in rent levels for a large number of accounts resulted in a decrease in the collectable rent figure for current clients. Although the amount of money collected from debtors of £1.66m represented an increase of £437k (36%) from the previous year, the amount collected from Housing Benefits awards actually decreased during the year by 26% down to £4.8m. This reduction has been driven by an increasing number of claimants moving onto Universal Credit which is resulting in funds not being allocated to their rent accounts. Cases where the Universal Credit is paid directly to the tenant rather than the landlord can often increase the difficulty in obtaining rental payments. This can be further exacerbated by the delays that claimants have experienced when awaiting receipt of their Universal Credit and by the fact that they are often uncertain over whether their claim will be backdated.

Accounts Payable

For the year to 31st March 2018, the percentage of undisputed invoices that were paid within 30 days was 99%, which was the same as per the previous year. The percentage of invoices paid within 20 days was 96%.

The percentage of suppliers paid by BACS during the year has increased by 1% to 90%.

Financial Assessment and Management Team

Our client base, as at 31st March 2018 comprised 707 clients receiving residential care and 2,476 clients receiving non-residential care. Liberata have developed an online Financial Assessment form which, when implemented, will streamline the process of providing financial information for an assessment. We will also shortly be implementing Information@Work to manage the workflow process and provide increased system based reporting on turnaround times and employee productivity. Liberata continues to drive to provide a high quality of service to our client base.

Appointee & Deputyship Team

As at 31st March 2018, the team had 249 clients of which 183 were for Appointeeship and 66 were for Deputyship. Service improvements have been made to further ensure maximisation of income for Appointee & Deputyship clients, an example is the way we are negating lower commissions with estate agents over property sales. Plans remain in place to implement Information@Work across our Adult Social Care teams. This will enable a more robust management of the caseload.

Single Financial Assessment Unit (SFAU)

Since the implementation of the SFAU, a programme of cross training and up-skilling of staff and management has been undertaken. This has enabled us to create resilience within the unit as well as promote positive working practices such as sharing customer's data, where GDPR permits, with all services within the SFAU. We have now created a 'Tell Us Once' approach; this has reduced the number of times a customer has to make contact with the Council. A number of customers have received increased Council benefits and an improved service as a result of this sharing approach.

The scheduled implementation of Information@Work (Anite) Data Management System on the Financial Assessments and Appointee & Deputyship teams will result in a more robust workload management process and compliance of the caseloads.

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

Yours sincerely

Amanda Inwood-Field
London Regional Contract Director