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Claudine Douglas-Brown
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Our Ref: AIF/RJ

Dear Claudine,

As we approach the November 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 six month period ended 30th September 2018.

Debtors and Income

The Sundry Debts in-year collection figure for the period was 81.28% which represented cash of £20.82m and exceeded the target of 78%. Although there were outstanding in year invoices of £10.23m, £2.87m, or 28.07%, of them were less than 30 days old. There were a number of timing issues which adversely affected the performance during the period and these were:

- The quarterly invoices for Commercial Rent charges totalling £1.81m (£1.43m – 2017) were issued on 25th September which made it very difficult to secure their payment before the period end.
- We raised a number of Community Infrastructure Levy (CIL) invoices which totalled £202k. Although they were issued before the period end they were not actually payable until after 30th September. As such no recovery action could take place on these invoices.

If we were to adjust for those debts where we were unable to take any recovery action then our adjusted in-year collection rate would have been 82.04%.

The collection rate for out of year debt was 99.03% and represented cash of £5.38m. However, included in the uncollected balance are amounts where, once again, we are unable to take further recovery action thereby adversely affecting the performance. These debts included the following amounts:

- £3.15m of debt was either in dispute or was on hold subject to further instructions from LBB
- £473k of debt had been either recommended for, or was awaiting, write off as no further recovery action could be taken

The adjusted collection rate for out of year debt, excluding the above unrecoverable amounts, was 99.74%.

We have continued to make progress in reducing the total amount of debt owed from utility companies. As at 30th September there was an outstanding balance of £285.5k which represented a decrease from the previous year of £106.4k (27.1%). As before the largest debt balance was held by British Telecom at £154.6k and represented 54% of the total period end amount. However, we have still seen a reduction in their debt of £43.8k compared to the previous year.

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 during the period and this is reflected in the growth of the in-year collectable rent figure which totalled £4.25m compared to £3.79m for the previous year. In line with this the total cash collected (£1.12m - 2018 compared to £0.74m - 2017) and the housing benefits collected (£4.96m - 2018 compared to £3.77m - 2017) both showed significant increases of 51.8% and 16.7% respectively. Nevertheless the closing debt balance of £5.23m still represented an increase of 21.4% compared to the previous year. The manual nature of the current Housing system used means that the growth in demand in this area has presented problems for the Recovery team in terms of being able to drive down the overall debt position. However, Liberata are currently working with the Council on a project to implement a new Housing system during 2019 which will automate many of the manual processes currently used for monitoring and recovering debt in this area. As such, once implemented, the new system is expected to help increase recovery on both in year and out of year debt.

Accounts Payable

For the period under review, the percentage of undisputed invoices that were paid within 30 days was 99% while the percentage of invoices paid within 20 days was 97%. The percentage of suppliers paid by BACS during the period has increased by 2% to 92%.

Financial Assessment and Management Team

As at the end of September 2018 we had 739 clients receiving residential care and 2,602 clients receiving non-residential care. Liberata has continued to develop the online Financial Assessment form which, when implemented, will streamline the process of providing financial information for an assessment. Phase one of testing on the new Information@Work system has been completed. This will provide a workflow system for the team. Further refinement delayed the implementation and the anticipated go live date will now fall within Quarter 3.

Appointee & Deputyship Team

At the period end the team had 188 Appointeeship clients and 67 Deputyship ones. Plans remain in place to implement Information@Work across our Adult Social Care teams. This will follow the implementation on the Financial Assessment and Management Team. An assurance visit was carried out by the Office of the Public Guardian (OPG) during Quarter 2 and their post visit report confirmed that all Standards 1 to 4 are being met in full. The report concluded that Liberata, working on behalf of LBB, have a good understanding of their clients and their needs. Further, that we show adherence to the Public Authority Deputy Standards and the five principles of the Mental Capacity Act 2005, consistently performing at 100% to criteria set out by 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
London Regional Contract Director