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Appendix 1

23 August 2019

Our Ref: AIF/RJ

Dear Claudine,

As we approach the September 2019 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 2019.

Debtors and Income

The Sundry Debts unadjusted in-year collection figure for the period was 86.63% and represented cash of £47.7m. This was down against the target rate of 92%, however the final adjusted figure was 94.03% as detailed below.

At the year end there were unpaid invoices totalling £8.55m, of which £3.61m (42.26%) was for invoices which were less than 30 days old. The shortfall in collection of 5.37%, equivalent to £2.96m, was due to the following:

- We raised a number of Community Infrastructure Levy (CIL) invoices which totalled £328k. These were raised during the year but were not payable until after the year end. As such no recovery action could take place on these invoices.
- The total value of debts in dispute or on hold pending instructions from the Council was £678k at the year end.
- Debts worth £225k were secured by charging orders placed on properties. These amounts can only be realised once the properties have been sold.

If we were to adjust for the above debts where we were unable to take any recovery action then our adjusted in-year collection rate would have been 88.63%. However, in addition to the above we also had invoices raised in the last 14 days of March 2019 which totalled £3.09m. Due to the reduced timescale, the recovery of these amounts before the year end would have been very unlikely. If these invoices were also taken into account then the final adjusted in-year collection rate would be 94.03%.

We collected £8.02m from out-of-year debt which equated to a combined collection rate of 99.47%. As above we have certain debt types where we are unable to undertake recovery action which then has an adverse impact on our collection figures. These debt types included the following:

- £1.1m of debt was either in dispute or was on hold subject to further instructions from LBB. This represented 41% of the remaining debt balance.
- £591k of debt had been either recommended for, or was awaiting, write off. This represented 21% of the remaining debt balance.

The adjusted collection rate for out of year debt, excluding the above unrecoverable amounts, was 99.80%.

During the year we managed to reduce the level of outstanding debt relating to utility companies. The balance reduced from £316k in the previous year to £147k as at 31st March 2019. This represented a reduction of £169k or 53%.

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 the demand for Nightly Paid Accommodation has continued to rise during the year. This was evidenced by both the increase in current clients from 755 to 939, and the increase in the collectable rent which rose by £887k (11.4%) to £8.67m for the year. In response our collections for both cash and housing benefit also increased. Cash collection rose by £496k (29.85%) and housing benefit increased by £1.02m (21.30%). Despite the improved collections the year end outstanding balance still increased by 12.8% (£629k). This was mainly due to the manual nature of the recovery work in this area which means that the increasing caseload has presented problems for the Recovery team in terms of being able to drive down the overall debt position. In order to speed up the recovery process Liberata are working with the Council on a project to introduce a new Housing system which will automate many of the manual processes currently used for monitoring and recovering debt in this area. Once implemented, the new system is expected to help increase recovery on both in year and out of year debt.

Accounts Payable

For the year to 31st March 2019, the percentage of undisputed invoices that were paid within 30 days was 98% which was in line with the target. The percentage of invoices paid within 20 days was 96%. The percentage of suppliers paid by BACS during the year increased from 90% to 91% for the year.

During the year members from the Accounts Payable team commenced working with the Council on a new project designed to introduce payment cards for residents in receipt of Direct Payments. Although the project has still to be completed once fully implemented it should improve the quality and accuracy of the information required by the Council to monitor the residents' expenditure.

Financial Assessment and Management Team

Our client base, as at 31st March 2019 comprised 624 clients receiving residential care and 2,098 clients receiving non-residential care. Liberata have continued to developed the online Financial Assessment form which, when implemented, will streamline the process of providing financial information for an assessment. A new Financial Assessment form has been created and will be used in the new financial year.

We have identified the need to create an Adult Social Care Quality Team offsite at our Shared Service Centre. The Quality Officers have been fully trained and are independently quality checking both residential and non-residential assessments undertaken by the Assessment Officers, in line with Bromley's documented policies and procedures. The Quality Team are now also being used to train new members of staff within the service.

Appointee & Deputyship Team

As at 31st March 2019, the team had 247 clients of which 179 were for Appointeeship and 68 were for Deputyship. Service improvements have been made to further ensure maximisation of income for Appointee & Deputyship clients, for example we negotiated lower commissions with estate agents over property sales. We are now considering the merits of selling properties via auction, with a fixed reserve price, as a faster and more cost-effective alternative. Arrangements are being made to switch from Lloyds Link payments to Lloyds Commercial Banking Online; adding further efficiency and improved transactions times when making payments to our clients and making payment of their invoices to the Council.

The implementation of Information@Work across our Adult Social Care services will enable a more robust management of the caseload as well as providing the opportunity to utilise expertise in this area across our other London contracts, which will improve resilience, and implement best practice.

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