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Appendix 1

11 June 2021

Our Ref: AIF/RJ

Dear Claudine,

As we approach the June 2021 Executive, Resources and Contracts Policy Development and Scrutiny Committee 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 31st March 2021.

Debtors and Income

The Sundry Debts unadjusted in-year collection figure for the year was 71.49%. This represented cash of £46.75m and was below the target of 92%. At the year end there remained a number of debts where we were unable to take any further recovery action. If we exclude these debts then the adjusted collection rate would be 83.13%. Although this is still below the target figure the reason for this variance is mainly down to a small number of large value NHS invoices totalling £6.5m which were raised during March 2021 but were not paid until 7th April 2021. If these funds had been paid in month then the final adjusted rate would have been 93.45%. Details of the other excluded debts are listed below:

- £973k of Community Infrastructure Levy (CIL) invoices were raised during the year but were not due for payment until after the year end.
- Invoices totalling £5.49m were raised during the last 14 days of the year. Active recovery action can only commence on these debts after 21 days.
- £2.57m of debts were placed on hold either due to the debt being in dispute, because we were awaiting further instructions from the Council or due to the

Council agreeing to defer payment due to the Coronavirus, as was the case for the Commercial Rents.

- Debts totalling £93k had been secured by Charging Orders on properties.

In Year Collection	31/31/20	31/03/2021	Variance
	£m	£m	£m
Net Collectable Debt	£65.78	£65.39	-£0.39
Amount Collected	£57.08	£46.75	-£10.33

Unadjusted Collection Rate	86.77%	71.49%	-15.28%
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Adjustments to Net Collectable Debt:			
- CIL Debts	-£1.47	-£0.97	-£0.50
- Disputed Debts	-£0.82	-£0.78	-£0.04
- With LBB	-£2.51	-£1.49	-£1.02
- Charging Orders	-£0.09	-£0.09	-
- Awaiting write off	-	-£0.01	£0.01
- Deferred Commercial Rents	-	-£0.30	£0.30
- Invoices less than 14 days old	-£3.69	-£5.49	£1.80
- Premises Licence	-	-£0.02	£0.02
Adjusted Net Collectable Debt	£57.20	£56.24	-£0.96

Adjusted Collection Rate	99.79%	83.13%	
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Of the out of year debt we collected £6.06m and achieved a combined collection rate across financial years of 99.10%. In line with the current year debt position, there were also a large number of out of year invoices where no further recovery action could take place. These totalled £4.43m at the year end and represented 73.2% of the outstanding balance at the year end. An analysis of these debts is shown below:

- £3.33m of debt was either in dispute or was on hold pending instructions from the Council.
- £896k of debt had been either recommended for, or was awaiting, write off.
- £200k of debt had been secured by Charging Orders.

Throughout the year our recovery work on all debt types was adversely impacted by the Coronavirus. The first lockdown in March 2020 resulted in a suspension of all recovery action including court action and any activity by Enforcement Agents. In response we encouraged debtors in financial difficulty to contact us in order to discuss and agree on achievable repayment plans or implement short term payment

deferrals. Although our active recovery work recommenced during the summer this was once again curtailed following the second national lockdown in November 2020. In addition the Coronavirus Act 2020 initially prevented eviction proceedings for non-paying tenants and allowed them to remain in temporary accommodation. Although in August 2020 the guidance changed to allow notice to be served, arrears had to reach the value of at least six months' rent first. This resulted in an increase in Nightly Paid Accommodation debt. As a result the net debt figure for this area increased by £1.65m (26%) compared to the previous year.

Accounts Payable

During the year the percentage of undisputed invoices that were paid within 30 days was 98%. Although this was 1% below the target performance was affected by the increased time that was required to undertake additional validation checks on payment requests. These checks were implemented as an additional security measure while both the Liberata processing team and the Councils employees worked remotely. The percentage of invoices paid within 20 days was 96%. The percentage of suppliers paid by BACS rather than cheques during the year was 95%, which was 3% higher than the previous years' figure.

Financial Assessment and Management Team

Our client base, as at 31st March 2021, comprised of 760 clients receiving residential care and 3,644 clients receiving non-residential care.

Liberata has now created a smart online form for Residential and Non-Residential assessments, which is scheduled to go live in July 2021, once final approval has been received from the Council. The online form will have inbuilt validation routines to ensure that only relevant questions are presented to the applicant, based on their responses provided. This will make the application process more efficient for the customer.

The annual uplift for Non-Residential clients was successfully completed. In preparation for the Residential reviews, over 750 renewal forms will be sent to clients, providing the link to the online form which proved to be the preferred channel for submitting applications last year.

In January 2021, Liberata lost three key full time employees on the team within the space of two weeks. This had a significant impact on our service delivery in terms of meeting the KPI's. These vacancies have now been filled and the new recruits have all successfully completed the in depth four week classroom based training programme, delivered by the Liberata Quality and Policy Team, and have been working as part of the virtual team since April 2021.

Appointee & Deputyship Team

As at 31st March 2021, the team had 282 clients of which 218 were for Appointeeship and 64 were for Deputyship. The use of Lloyds Commercial Online Banking continues to be extremely effective with significant improvements in transaction times when processing payments to clients and payment of invoices to LBB.

The full implementation of Information@Work Data Management System (DMS) across the Adult Social Care services will create significant resilience across our London contracts with the ability to flex resource where required.

Impact of the Coronavirus

The Coronavirus had a significant impact on the way that Liberata were able to provide a service to the Council and the residents of Bromley. This can be seen in the debt collection rates achieved which reflected the additional financial strain experienced by many residents and businesses in the Borough. In addition it also meant that some of our service lines which were previously paper based, such as Accounts Payable, had to adopt new working methods to deal with both Liberata and Council employees working remotely. The enforced period of local and national lockdown also highlighted the need to provide an online channel to businesses and residents to allow them to quickly access information about their accounts. As part of the new contract, which commenced on 1st April 2020, we have a Transformation Programme which will improve service efficiency and allow online customer access. This can be seen in the process improvements on the Financial Assessment and Management Team detailed above, and also in the roll out of self-service on the Pensions and Payroll service line.

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