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Claudine Douglas-Brown
Assistant Director of Exchequer Services
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Our Ref: AIF/RJ

Dear Claudine,

As we approach the June 2022 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 2022.

Debtors and Income

Our unadjusted in-year collection figure for the year was 80.68%. This equated to cash received of £58.96m and was £12.21m more than last year. The collection rate achieved was below the target of 92%. However, there remained a number of debts where we were unable to take any recovery action. Once these debts had been excluded our adjusted collection rate was 92.41%. This adjusted collection rate provides a clearer indication of the team's performance. A summary of the debts that are excluded from the adjusted rate are listed below:

- Invoices totalling £6.41m were raised and issued during the last 14 days of March. As we are only able to commence active recovery on debts that are at least 21 days old, these have been excluded.
- £2.65m of debts were on hold at the year end either due to them being in dispute or because we were awaiting further instructions from the Council.
- Community Infrastructure Levy (CIL) invoices of £188.9k had been raised in the year but their due date was after 31st March 2022.

- £19.7k of outstanding debts were awaiting write off at the year end.

In Year Collection	31/31/2021	31/03/2022	Variance
	£m	£m	£m
Net Collectable Debt	£65.39	£73.08	£7.69
Amount Collected	£46.75	£58.96	£12.21
Unadjusted Collection Rate	71.49%	80.68%	9.19%
Adjustments to Net Collectable Debt:			
- CIL Debts	-£0.97	-£0.19	£0.78
- Disputed Debts	-£0.78	-£0.99	-£0.21
- With LBB	-£1.49	-£1.66	-£0.17
- Charging Orders	-£0.09	-£0.00	£0.09
- Awaiting write off	-£0.01	-£0.02	-£0.01
- Deferred Commercial Rents	-£0.30		£0.30
- Invoices less than 14 days old	-£5.49	-£6.41	-£0.92
- Premises Licence	-£0.02		£0.02
Adjusted Net Collectable Debt	£56.24	£63.81	£7.57
Adjusted Collection Rate	83.13%	92.41%	9.28%

Cash collected on out of year debt totalled £18.5m and as a result we achieved a collection rate of 99.75% across all financial years. Once again the outstanding balance includes a large number of debts where no active recovery work can take place. A summary of these debt types, and their values, are shown below:

- £2.73m of debts were effectively 'on hold' either due to a dispute being raised by the debtor or because we were awaiting further instructions from the Council.
- £1.21m of invoices were awaiting write-off.
- £319k of outstanding debts were secured by Charging Orders on the debtor's property.

Although our collection rate had improved since the last year we still found ourselves adversely impacted by the Coronavirus. Even though restrictions finally ended during the year we still faced the need to clear a backlog of debt recovery cases from the last two years. These had arisen as a result of the suspension of court hearings, restrictions placed on the activities of Enforcement Agents and delays placed on commencing the eviction process for non-paying tenants. As a result we recognised the need to increase our contact with those in debt in order to clear this backlog as quickly and efficiently as possible. To this end we commenced issuing monthly statements to Temporary Accommodation tenants. We utilised the sending of regular SMS messages to remind debtors of their outstanding balances and to request payment. We added online payment functionality to the Council website to give Temporary Accommodation clients the ability to pay online. We also established a new tracing process to find Temporary Accommodation tenants who

have moved. This has allowed us to utilise the systems of one of our partner organisations which improves our ability to track and recover debts from these hard to find cases. In the coming year we plan to start a number of other initiatives including reviewing where we can offer direct debit facilities on debt types where this isn't currently available.

Accounts Payable

During the year we saw a decrease in the percentage of undisputed invoices paid within 30 days. This fell from 98% in 2021 to 97% this year. This decrease was due to technical issues experienced with the introduction of the new social care systems in late 2021 which had a detrimental impact on the processing times of invoices. We are continuing to work closely with the Council to rectify any remaining system issues in this area. We have continued the trend over the last few years of increasing the percentage of payments made by BACS rather than cheque with the current year showing an increase of 1% from 95% to 96%.

Financial Assessment and Management Team

The client base at the year end consisted of 906 Residential Care cases and 2,453 Non-Residential Care cases. In order to improve our service to these clients we continued to implement a number of process improvements during the year. These included switching to an electronic Document Management System which offers full visibility of all outstanding documents received, thereby allowing us to prioritise their completion. This has also enabled the introduction of, and monitoring against, performance benchmark targets for the team which helps drive productivity. We completed the roll out of online assessment forms and an electronic evidence upload tool. This now allows residents to complete and submit a financial assessment, together with the necessary documentation, all online. Thereby reducing the processing time.

The key challenge for the team over the forthcoming year will be to complete our preparation for the Social Care Reforms and the introduction of the Care Cap. We anticipate that this will result in a major increase in contact from residents, increased need for record keeping and will result in a rapid growth in the number of cases managed by the team. A project team to look at the potential impact of these reforms and the systems and resource requirements needed to deal with them has already been established.

Appointee & Deputyship Team

Similar to the Financial Assessment Team above we also implemented a new Document Management System here which has allowed us to manage our incoming correspondence in a more efficient way.

Over the next twelve months we will be working to migrate the current case management system that we use from a hosted solution to a cloud based version.

Council Led Projects

We worked closely with the Council on a number of key IT projects during the year. The Council migrated their financial application Oracle R12 to a new platform called Fusion. All of the Liberata teams who were impacted by this change fed into this project, which was completed on 28th April 2022. The new system has provided additional functionality which we hope to exploit over the coming months. This includes a supplier portal and automatic information capture from supplier invoices.

New systems were also implemented for the Council's Children's and Adult Care services. Although this resulted in a number of processing and system issues we have worked and continue to work closely with the Council to resolve them.

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

Yours sincerely

Amanda Inwood-Field

Amanda Inwood-Field
London Regional Contract Director