



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
Assistant Director of Exchequer Services
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

9th December 2022

Our Ref: AIF/RJ

Dear Claudine,

As we approach the January 2023 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 six month period up to 30th September 2022.

Debtors and Income

The unadjusted collection figure for in-year debt was 52.86% for the six month period. This represented cash of £11.33m. Although this collection rate was below the proposed target of 75%, 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 62.17%. A summary of the debts that are excluded from the adjusted rate are listed below:

- During the last 14 days of the month of September we raised and issued invoices totalling £2.23m. As we are only able to commence active recovery on debts that are at least 21 days old, these have been excluded.
- There were debts of £584k which were on hold either due to a dispute or because we were awaiting further instructions from the Council.
- A total of £272k of Community Infrastructure Levy (CIL) invoices were raised in the period but were not due to be paid until after 30th September 2022.

- Debts totalling £91k had been secured by a Charging Order.

In Year Collection	30/09/2022	30/09/2021	Variance
	£m	£m	£m
Net Collectable Debt	£21.43	£30.59	-£9.16
Amount Collected	£11.33	£21.63	-£10.31
Unadjusted Collection Rate	52.86%	70.72%	-17.86%
Adjustments to Net Collectable Debt:			
- Invoices less than 14 days old	-£2.26	-£3.09	£0.83
- Disputed Debts	-£0.55	-£1.28	£0.73
- CIL Debts	-£0.27	-£0.10	-£0.17
- Charging Orders	-£0.09	-£0.06	-£0.03
- With LBB	-£0.04	-£0.28	£0.24
- Awaiting write off	£0.00	-£0.01	£0.01
Adjusted Net Collectable Debt	£18.22	£25.78	-£7.56
Adjusted Collection Rate	62.17%	83.92%	-21.74%

A further anomaly relates to the invoices for NHS South East London ICB which we first started to issue in January 2022 on a monthly basis. These are high value invoices which typically take between 30 and 45 days to progress through their internal approval and payment process. As a result these large value invoices will be shown as outstanding at the end of each month end and so materially inflate our outstanding debt position. The combined value of the invoices outstanding at the end of September 2022 was over £4.27m which equated to 41.87% of the total outstanding debt. If we exclude these two invoices then the adjusted collection rate would be 81.19%, which is ahead of the provisional target of 75%. Both invoices have since been fully paid

We collected cash of £11.8m on out of year debt which resulted in a collection figure of 99.58% across all financial years. Similar to the in year debt position, this outstanding balance also 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:

- There were £3.22m of debts which were effectively 'on hold' due to being in dispute or because we were awaiting further instructions from the Council.
- A total of £1.36m of invoices were awaiting write-off.
- A further £286k of outstanding debts had been secured by Charging Orders on the debtor's property.

During the six month period we were still dealing with the after effects of the Coronavirus which had resulted in a backlog of recovery cases from the last two

years. As a result we continued with the measures that we had introduced towards the end of the previous year such as issuing SMS reminders to debtors, sending monthly statements to tenants in Temporary Accommodation and promoting the use of our online payment service. In addition this year we will be introducing information packs which will be issued to new Domiciliary Care clients in order to help clarify how the charging process for their care works and stress the importance of making payment for these charges. In recognition of the rising Temporary Accommodation debt balance we allocated additional recovery resources onto this area. We have also been holding regular meetings with the Council's Housing Team to improve the process of setting up new tenants accounts and closing down former tenant's accounts on the system.

Further planned changes to improve the debt recovery service include the following:

- Transfer all Court Claims to the online claim service operated by the County Court Money Claims Centre in order to reduce processing time and costs to the Council.
- Utilise existing system functionality on the Orchard and Aspien Debt Recovery Systems to recommend and process write offs electronically, thereby reducing processing time for Liberata and Council approvers.
- Introduce 'Initial Contact Calls' for new Domiciliary Care clients to ensure they understand the contents of their regular statements, know how to make payments and how to raise any concerns with Care Services as early as possible in the process.
- A new online 'Contact Us' form will be going live within the next few months to offer a simple, quick way for residents and businesses to raise queries or ask questions about their debts

Accounts Payable

The migration to the new Fusion Financial System and the new ContrOCC Social Care system has resulted in some issues being experienced by the Accounts Payable team when processing invoices for payment. These issues have led to an increase in processing times for invoices on these system. However, we are continuing to work with the Councils Contract Monitoring Team and their Systems teams to resolve these issues where possible or amend our processes and procedures as required.

We have continued to see an increase in the percentage of payments being made by BACS rather than cheque. For the current period this has risen to 98% compared to 96% for the previous period.

Financial Assessment and Management Team

As at the end of September 2022 we had 872 Residential Care cases and 2,424 Non-Residential Care cases. During this period work commenced on preparing for the Social Care Reforms and the introduction of the Care Cap. This was expected to go live in October 2023 when it was widely anticipated that both demand and caseloads

would materially increase in this area. However, following the recent budget announcements these reforms have now been delayed for at least two years. It has however been agreed that we will continue to work closely with the Council to improve our current processes and performance so that we will be in the best position to manage the increased workloads when the new reforms are finally introduced. As well as our processes we will also be looking at increasing the amount of automation associated with the Financial Assessment process in order to reduce our processing times and thereby improve the customer experience.

Appointee & Deputyship Team

There is a systems requirement to migrate the current case management system that we use, called Caspar, from a hosted solution to a cloud based version. This needs to be completed by 31st March 2023 and we are working with the system provider to ensure that this work is completed by February 2023.

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