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Claudine Douglas-Brown
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Date: 31st May 2023

Dear Claudine,

As we approach the July 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 year to 31st March 2023.

Debtors and Income

For the 2023 financial year we achieved an unadjusted collection rate of 81.40% on in-year debt. Although this equated to £51.98m of cash received, it was still below the target of 92%. However, within the outstanding balance there remained a number of debts where we were unable to take any recovery action. For a true reflection of our recovery performance, we have to exclude these debts and calculate an adjusted collection rate. As such, the adjusted rate for the year was 93.28%, which was 1.28% above the target. A summary of the main debts that have been excluded from the adjusted rate are listed below:

- £6.09m of invoices were raised and issued within the last 30 days of the year. Many of the larger clients have internal procedures that make it very difficult for these invoices to be approved, processed and paid in under 30 days. As such these debts have been excluded.
- Debts totalling £1.14m related to Community Infrastructure Levy (CIL) invoices. Although these had been raised during the year, they were not actually due for payment until after the year end.

- There were debts of £0.82m which remained on hold at the year end. This was due to them either being disputed or were cases where we were awaiting further instructions from the Council.
- A total of £80.2k of debts had been secured by charging order whilst a further £33.7k of debts were awaiting write off at the year end.

In Year Collection	31/31/2023	31/03/2022	Variance
	£m	£m	£m
Net Collectable Debt	£63.86	£73.08	-£9.22
Amount Collected	£51.98	£58.96	-£6.98
Unadjusted Collection Rate	81.40%	80.68%	0.72%
Adjustments to Net Collectable Debt:			
- CIL Debts	-£1.14	-£0.19	-£0.95
- Disputed Debts	-£0.76	-£0.99	£0.23
- With LBB	-£0.06	-£1.66	£1.60
- Charging Orders	-£0.08	-£0.00	-£0.08
- Awaiting write off	-£0.03	-£0.02	-£0.01
- Invoices less than 30 days old	-£6.09	-£9.78	£3.69
Adjusted Net Collectable Debt	£55.77	£60.44	-£4.67
Adjusted Collection Rate	93.28%	97.55%	-4.27%

We collected cash of £13.78m on out of year debt. This gave a collection rate of 99.19%. However, similar to the in-year debt, there remained cases where we were unable to take any active recovery action. Details of these debt types are shown below:

- Debts totalling £2.52m were on hold at the year end due to the debtor having raised a dispute or because we were awaiting further instructions from the Council.
- Invoices totalling £1.46m were awaiting write-off.
- £225.9k of debts had been secured by placing a Charging Order on the debtor's property, meaning that the debt would only be paid once the property had been sold.

Although the aftereffects of the Coronavirus have now been cleared, in particular the backlog of cases caused by restrictions place on recovery activity, we have seen both individuals and businesses being adversely impacted by the current economic climate. As a result, we continued with our policy of maintaining regular contact with debtors in order to ensure that they fully understood the amount and reason for the debt and to secure early payment. This was particularly true for Social Care debt and Temporary Accommodation debt. For residents receiving Social Care we have been contacting them once they have started to incur charges, in order clarify

how they are calculated and stress the importance of making regular payments. Historically we have found that due to confusion some residents delay making any payment which can quickly lead to the creation of large outstanding debt balances. For Temporary Accommodation tenants we have continued issuing four weekly statements to ensure that they are kept aware of their outstanding balances and to prompt them to contact us if they have any questions or financial concerns.

During the year we commenced work on a number of initiatives which should go live during the coming year. These include producing information sheets that will be issued to new Temporary Accommodation tenants and residents receiving Social Care. The aim being to provide further guidance and explanation on the calculation of their charges. We will also be establishing a 'Contact Us' form on the Council website to make it easier for residents and businesses to contact us if they have a query on a debt balance.

Accounts Payable

During April 2022 a new financial system Oracle Fusion, went live. Although this included new functionality that was not available under the old financial system, the introduction of new processes and procedures had an adverse impact on the speed of processing invoices for payment. As a result, the percentage of undisputed invoices processed within 30 days fell from 97% in 2022 to 94% for the current year. We are continuing to work closely with the Council to rectify any remaining system issues in this area. Our results for February and March 2023 saw us once again achieving 97% for each month. The percentage of payments made by BACS rather than cheque has continued to rise. As a result, 98% of payments made during the year were by BACS which was a 2% increase on the previous year.

Financial Assessment and Management Team

The client base at the year-end consisted of 834 Residential Care cases and 2,406 Non-Residential Care cases. The changes made to the functionality of our Electronic Document Management System continue to allow us to more effectively manage and prioritise incoming correspondence. ContrOCC usage remains under constant review and whilst the last year has allowed us to bed-in the previous improvements which were made, we are always looking for ways to maximise the usage and outcomes from the software. Working with the new Exchequer Manager we have been able to make additional changes to the system due to his extensive knowledge of the product, we therefore hope to realise additional improvements during the coming year.

Our key challenge last year was to prepare for the Social Care Reforms and the introduction of the Care Cap. Whilst these reforms have been delayed, we have continued to make preparations to ensure that we are in the best possible position when the project begins again in the future.

Appointee & Deputyship Team

The client portfolio at the end of the financial year consisted of 246 Appointeeship cases and 45 Deputyship cases. We have had an A&D audit and have successfully implemented all the audit recommendations; these included no high priority recommendations.

We have also made service improvements throughout the year including the online completion and receipt of new referrals via the new Liquid Logic solution (LAS). The applications are also accepted/rejected by Panel via LAS which has made the whole process more efficient. We have also migrated to the new Caspar Cloud application which provides the opportunity to automate the bank reconciliation process.

Over the coming months we will be working to automate the bank reconciliation making this process more efficient and time effective. We are also reviewing the Charging Schedule with the Exchequer Manager to automate the fee calculation and invoicing process as much as possible.

Council Led Projects

We are working closely with the Council on a number of key projects. These projects include the proposed office move for the entire Council and the Digital & Hybrid Mail Project. Further updates on these projects will be provided in subsequent reports as these projects are currently at the very early stages on inception and design.

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

Yours sincerely



Bola Odunsi

Regional Director (London & The Southeast)