

Appendix 1

Claudine Douglas-Brown
Assistant Director of Exchequer Services
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

13th December 2023
Our Ref: BO

Dear Claudine,

As we approach the January 2024 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 2023.

Debtors and Income

As at the period end of 30th September 2023 our unadjusted collection figure for in-year debt was 66.74%, which was equivalent to £15.95m of cash collected. As always, we have to adjust this headline figure in order to take account of invoices which we were unable to take any active recovery action on. Once these debts have been removed, our adjusted collection rate becomes 89.29% which is ahead of the proposed target of 78% and exceeds our collection for the last 3 years. A summary of the debts that are excluded from the adjusted rate are detailed below:

- Invoices that were less than 30 days old totalled £3.36m.
- Debts which were either in dispute or related to cases where we were awaiting further instructions from the Council equalled £1.49m.
- £1.17m of debt related to Community Infrastructure Levy (CIL) invoices which were raised during the period but were not actually due to be paid until after 30th September 2023.
- There was also a small balance of £0.02m relating to debts that were awaiting write off at the period end.

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(Registered in England and Wales - No 1238274)

Registered Office: 2nd Floor Front, 60 Cheapside, London, EC2V 6AX

Liberata UK Limited is a subsidiary of Outsourcing UK Limited (Registered in England and Wales – No 10280945)

Registered Office: Floor 9, Peninsular House, 30-36 Monument Street, London, EC3R 8LJ

| In Year Collection | 30/09/2023 | 30/09/2022 | Variance |
|-----------------------------------|---------------|---------------|---------------|
| | £m | £m | £m |
| Net Collectable Debt | £23.90 | £21.43 | £2.47 |
| Amount Collected | £15.95 | £11.33 | £4.62 |
| Unadjusted Collection Rate | 66.74% | 52.86% | 13.88% |

| Adjustments to Net Collectable Debt: | | | |
|--------------------------------------|--------|--------|--------|
| - Invoices less than 30 days old | -£3.36 | -£2.73 | -£0.63 |
| - Disputed Debts | -£1.19 | -£0.55 | -£0.64 |
| - CIL Debts | -£1.17 | -£0.27 | -£0.90 |
| - Charging Orders | £0.00 | -£0.09 | £0.09 |
| - With LBB | -£0.30 | -£0.04 | -£0.26 |
| - Awaiting write off | -£0.02 | £0.00 | -£0.02 |

| | | | |
|--------------------------------------|---------------|---------------|--------------|
| Adjusted Net Collectable Debt | £17.86 | £17.75 | £0.11 |
|--------------------------------------|---------------|---------------|--------------|

| | | | |
|---------------------------------|---------------|---------------|---------------|
| Adjusted Collection Rate | 89.29% | 63.80% | 25.49% |
|---------------------------------|---------------|---------------|---------------|

Our collection rate on out of year debt was 98.91% as at the period end, and this represented £8.66m of cash collected. Once again, the outstanding debt figure includes a number of invoices where we were unable to take any recovery action. If we exclude these debts, then our adjusted collection rate increases to 99.44% for the period. A summary of these excluded debt types is shown below:

- A total of £1.41m of debts were either in dispute or had been placed on hold by Council departments at the period end.
- There were £1.51m of invoices awaiting write-off.
- Debts totalling £1.16m related to organisations that were in administration. The majority of this, £1.12m, relates to a high street retailer.
- £0.30m of debt was secured by charging orders on the debtors' properties.
- Community Infrastructure Levy (CIL) invoices totalling £0.17m related to debts that were not due to be paid until after the period end.

During this period, we implemented a number of process changes with the aim of improving the service that we deliver to residents and the Council. One of these changes was to implement an online claim process for our court claims. This allows us to submit court claims faster and at a lower cost than under the old paper-based system. We also discussed and agreed with the Council to change the way that we calculated our in-year collection rate on sundry debts. Previously we simply divided the amount of money we received by the

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total amount of in year invoices issued which gave a percentage collection rate. However, this ignored the fact that there will always be some delay between an invoice being issued and then being paid. The delay will cover the time taken for the invoice to be received by the debtor, checked and processed, for payment to be made and for the funds to be received in the Councils bank account. As a result, we agreed to amend the method of calculating the recovery rate to exclude outstanding invoices which were less than 30 days old. This now provides a more accurate assessment of our performance.

Accounts Payable

During the period we achieved a total of 98% of invoices paid within 30 days which was down against the target of 99%. This shortfall was mainly caused by delays arising from Council service departments not receipting purchase orders which then prevented the invoices from being paid on time.

In line with previous years, we have continued to drive down the use of cheque payments. As a result, during this period, we paid 99% of suppliers by BACS which was an improvement on the previous period's figure of 98%.

Financial Assessment and Management Team

As at the end of September 2023, we had 854 Residential Care cases and 2,352 Non-Residential Care cases. Liberata has continued to work closely with the Council to improve our current processes and performance so that we will be in the best position to manage any potential increased workloads when, or if, new reforms such as the Care Cap are introduced to Social Care. Skill sets and knowledge continue to increase within the team to provide increased resilience in all areas.

Appointee & Deputyship Team

As at 30th September 2023, the team had a portfolio of 302 clients of which 254 were for Appointeeship and 48 were for Deputyship.

The team use the newly migrated Caspar Cloud system for their case management. They have now utilised the new cloud-based system to automate the bank reconciliation work undertaken by the team. This has resulted in a reduction in the time taken to complete these reconciliations compared to the old manual process.

The team will continue to work effectively in identifying change within Caspar Cloud to improve work tasks and processes. 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)

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