

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

Appendix 1

23<sup>rd</sup> May 2024  
Our Ref: BO

Dear Claudine,

As we approach the June 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 year to 31<sup>st</sup> March 2024.

### **Debtors and Income**

For the 2023/24 financial year we achieved an unadjusted collection rate of 85.22% on in-year debt. Although this equated to £35.8m of cash received, it was still below the target of 92%. However, within the outstanding balance there remained several debts where we were unable to take any recovery action. For a true reflection of our recovery performance, we must exclude these debts and calculate an adjusted collection rate. As such, the adjusted rate for the year was 92.38%, which was 0.38% above the target. A summary of the main debts that have been excluded from the adjusted rate are listed below:

- There were debts of £2.56m 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.
- Debts totalling £359k 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.
- A total of £254k of debts had been secured by charging order whilst a further £86.4k of debts were awaiting write off at the year end.

Liberata is a trading name of Liberata UK Limited

(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	31/3/2024	31/3/2023	Variance
	£m	£m	£m
Net Collectable Debt	£42.01	£63.86	-£21.85
Amount Collected	£35.80	£51.98	-£16.18

<b>Unadjusted Collection Rate</b>	<b>85.22%</b>	<b>81.40%</b>	<b>3.82%</b>
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Adjustments to Net Collectable Debt:			
- CIL Debts	-£0.36	-£1.14	£0.78
- Disputed Debts	-£2.42	-£0.76	-£1.66
- With LBB	-£0.14	-£0.06	-£0.08
- Charging Orders	-£0.25	-£0.08	-£0.17
- Awaiting write off	-£0.09	-£0.03	-£0.06
- Invoices less than 30 days old*	£0.00	-£6.09	£6.09
<b>Adjusted Net Collectable Debt</b>	<b>£38.75</b>	<b>£55.77</b>	<b>-£17.02</b>

<b>Adjusted Collection Rate</b>	<b>92.38%</b>	<b>93.28%</b>	<b>-0.90%</b>
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*\*Invoices less than 30 days old are now excluded from our Unadjusted Collection Rate calculation*

We collected cash of £10.31m on out-of-year debt which gave a collection rate of 99.1%. However, like the in-year debt, there remained cases totalling over £6.9m where we were unable to take any active recovery action. Taking these debts into account increased the collection rate to 99.58%. These debts are summarised below:

- A total of £3.66m of debts were either in dispute or had been placed on hold by Council departments at the year end.
- There were £1.63m 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.
- £0.51m of debt was secured by charging orders on the debtors' properties.

The Council's temporary change to the Residential Care charging policy has continued to adversely impact operations. The large increase in volume and value of invoices raised has resulted in a material increase in queries, disputes and cancellations as is evidenced in our report.

We have also continued to see both individuals and businesses being adversely impacted by the current economic climate. As a result, we have continued with our policy of maintaining regular contact with debtors

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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. This is to ensure they understand how the charges have been calculated and to stress the importance of making regular payments. Historically, we have found that due to confusion, some residents delay making any payments. This can quickly lead to the creation of large outstanding debt balances. For Temporary Accommodation tenants we have continued issuing statements on a four-weekly basis. This ensures that they are made aware of their outstanding balances and prompts them to contact us if they have any questions or financial concerns.

We continue to work with the Client Unit and Council departments to look at further opportunities to review and improve internal debt creation and collection processes. As such we have recently commenced a project designed to automate the production of invoice requests which we receive from Council departments. Although this is still at the review stage, it is believed that the automation will result in faster processing times while eliminating keying errors.

### **Accounts Payable**

For the financial year 2023/2024 the Liberata performance for undisputed invoices paid within 30 days was 99.59% which was above the target of 99%. The Council's reported performance on this same metric was 97% for the previous year, which is an increase in performance of 3%. This increase was driven by an improvement in the receipting of goods and services which were actioned more promptly by Council officers.

As a way of speeding up the processing of supplier invoices, we have recently commenced discussions with the Council on implementing a new automated scanning solution. This will not only reduce processing times and eliminate manual keying errors but will also reduce the risk of incorrect payments being made when suppliers send in duplicate invoices.

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

### **Financial Assessment and Management Team**

As at the end of March 2024, we had 886 Residential Care cases and 2,327 Non-Residential Care cases. Liberata has continued to work closely with the Council to improve our current processes and performance along with the project team and progress has been made in some areas. There has been no further update with regards to the changes in Social Care Reform however, Liberata are in a position to implement any changes that may occur. Skill sets and knowledge continue to increase within the team to provide increased resilience in all areas.

### **Appointee & Deputyship Team**

As at 31<sup>st</sup> March 2024, the team had a portfolio of 308 clients of which 263 were for Appointees and 45 were for Deputyship. The number of cases managed by the team has increased since 2020.

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The team use the newly migrated Caspar Cloud system for their case management. The automated bank reconciliations undertaken by the team are working very well. This has resulted in a reduction in the time taken to complete these reconciliations compared to the old manual process.

There is also a recent enhancement within Caspar Cloud which allows the team to update the new DWP benefit rates at the start of the financial year for multiple clients. The team used this facility in April 2024 which allowed the DWP benefit to be updated more quickly, hence saving time. The team continues to work effectively in identifying changes within Caspar Cloud to improve work tasks and processes.

I trust you find that the above has been informative and comprehensively demonstrates that 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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