

Report No.  
RES11154

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

<Please select>

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**Decision Maker:** Executive & Resources PDS

**Date:** 25 January 2012

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** HOUSING AND COUNCIL TAX BENEFIT SERVICE  
MONITORING REPORT

**Contact Officer:** Jayne Carpenter, Revenues and Benefits Manager  
Tel: 020 8461 7996 E-mail: jayne.carpenter@bromley.gov.uk

**Chief Officer:** Peter Turner, Finance Director

**Ward:** All

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1. Reason for report

This report details the level of performance provided by the Benefits Service during the period 01/04/11 – 30/11/11

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2. RECOMMENDATION

**Consider the current levels of performance**

**Consider performance against the 2011/2012 service plan**

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: 400002
  4. Total current budget for this head: £3.4m
  5. Source of funding: Government Subsidy
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### Staff

1. Number of staff (current and additional): 7 (Revenues and Benefits Monitoring Team) plus Liberata staff
  2. If from existing staff resources, number of staff hours: N/A
- 

### Legal

1. Legal Requirement: Statutory requirement. The Housing Benefit Regulations 2006
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 23,700 households
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

The latest position related to Liberata's performance is detailed in this report, with graphical illustrations detailed in the appendices. A letter from the Contract Director of Liberata commenting on general progress is provided in Appendix 1.

#### 3.1 Outstanding Work

Using a mechanism adopted in January 2005, the current outstanding work totals 2356 (25/11/11), which compares to a weekly target of 3000. From April 2011, the weekly target was reduced from 4000 items to 3000, including pending.

Appendix 2 shows the level of outstanding work since January 2008. You will note that the latest position shows a reduction on that recorded in the last monitoring report.

#### 3.2 Claim Processing

The speed of processing indicator is a combination of the time taken to assess new claims and change of circumstances.

The table below shows Liberata's performance against the 2011/12 target of 13 days:

	April 11	May 11	June 11	July 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Right Time	13.26	14.8	15.0	14.61	13.91	14.12	14.26	14.05				

**Average for the year (April to November) is 14.23 days**

Although the actual monthly average figures from April to November 2011 are outside the target, it is expected that there will be a significant reduction in the monthly figures in the next few months which will have a positive impact i.e. the benefits uprating and annual rent increase for many Housing Association properties.

Local Authorities were advised in July 2011 that the Right Time Indicator would be replaced by the Speed of Processing (SoP) statistics. The Speed of Processing measures the average time to process new claims and changes of circumstances separately and is no longer a combined measure.

The results of Quarter 1 2011/12 were not released by the DWP until 26 October 2011. Bromley's reported average new claim figure is 26 days. The change in circumstances figure has not been reported.

Performance under the Right Time indicator since January 2008 is illustrated in Appendix 3.

Under the specification for the Exchequer contract commencing in April 2011, the target for processing claims/changes within 50 days was increased to 90% (the target was previously 80%). For the period 1 April to 30 November 2011, 51,462 claims/changes were processed, of which 95.1% were processed within 50 days. Appendix 4 shows of detailed breakdown.

### 3.3 Error Rate

Quality is key when examining ways of improving the service. Getting it right first time reduces the staff resources required for corrections and reduces complaints from customers. Measuring error rates for benefit claims assessed by Liberata staff is a measure of quality. The service agreement with Liberata requires a maximum 5% (financial) error rate.

Appendix 5 provides details of the error rate from January 2008. The error rate quoted is an accumulation of the results from Liberata's and Bromley's checking regimes.

Under the specification for the Exchequer contract commencing April 2011, accuracy levels are calculated and reported in a different way. The reported figure being the percentage of errors identified when checking a cross section of the contractor assessments. This indicator will show a higher percentage of the errors for the same level of service previously being supplied.

In order to provide a comparison, the table detailed below shows performance for the period June to November 2011 under both measures:

	June 11	July 11	Aug 11	Sep 11	Oct 11	Nov 11
% error rate – old measure	3.20	1.86	1.98	1.45	1.19	1.07
% error rate - new measure	3.29	1.74	1.43	2.48	3.04	2.37

As expected the new measure shows a higher error rate which is currently being monitored.

### 3.4 Complaints

The number of complaints received is a good indicator as to the standard of the service being provided. There is a well proven correlation between the number of complaints received, the accuracy of work undertaken and the number of documents requiring attention. Appendix 6 illustrates the number of second stage complaints received on a monthly basis from January 2008.

### 3.5 Overpayments

Unlike Council Tax and Business Rates collection that have proven methods of recovery, supported by case law and statutory regulations, benefit overpayments are, by their nature, more difficult to process and collect. Payment of Housing Benefit will always include an element of overpayment for various reasons, for example, the customer not informing us of changes in their circumstances. The authority is then required to seek recovery of the overpayment from customers who are likely to be among the most vulnerable members of our community.

The Exchequer Services specification for the contract commencing 1 April 2011 has the affect of guaranteeing the Authority a recovery rate of 81% (2011/12).

Appendix 7 shows the monthly recovery rate since April 2010, the recovery rate for the year to date is currently below the target of 83%; however historically the collection level has increased in the latter part of the financial year. Further comments on performance in this area are contained in Liberata's letter.

### **3.6 Call Centre (Help Line)**

The graph at Appendix 8 details the performance of the Call Centre compared to previous years.

The latest position indicates an abandoned call rate of 2.6% (November 2011), with the average time a caller had to wait being 13 seconds (November 2011). Whilst the abandoned rate shows a deterioration on the figure contained in the last report (March 2011), the number of calls received in the period April to November 2011 is 13,083 more than for the same period in 2010. The increased number of calls is attributed to the economic climate and the stricter Council Tax recovery timetable.

### **3.7 Caseload**

Details of the trend for the number of claims in payment are shown in Appendix 9. This illustrates that there has been a significant increase in overall caseload since Liberata became responsible for the service in 2002. In November 2011 the number of households in receipt of Housing and/or Council Tax Benefit increased to 23,699, this is the highest figure that Bromley has recorded.

### **3.8 Extension of the Shared room rate to under 35 year olds from January 2012**

The shared room rate currently applies to single people aged under 25 years old living in the private rented sector who receive Housing Benefit. From 1<sup>st</sup> January 2012 this restriction is being extended to single people who are aged 35 and under.

This means that those claimants aged between 25 and 35 who are currently receiving Housing Benefit based on the self-contained one bedroom rate will have their benefit restricted to the shared room rate on the anniversary of their claim.

There are currently 237 claimants affected by this change and we are working with the Housing Initiatives team to ensure that those claimants affected are aware of the change before the anniversary of their claim and are made of the options available to them.

### **3.9 Development Agenda**

It is important to recognise that in addition to committing to the improvement of processing times, Liberata have signed up to a service plan to reflect the partnership with Bromley. Attached at Appendix 10 is the plan for 2011/12, updated to show progress as at the 30 November 2011.

### **3.10 Universal Credit**

A Government White Paper was issued on the 11<sup>th</sup> November entitled Universal Credit: Welfare that Works. The paper proposes a major reform to the welfare system, moving towards a single benefit (Universal Credit) that will be administered by the Department for Work and Pensions. Universal Credit is due to be phased in between 2013 and 2017. Housing Benefit is included in the Universal Credit and as such Local Authorities will no longer have a role in providing assistance with rental charges once the system is fully operational. Full details have yet to be issued; these include who will provide the front-line service and how the phasing will take place.

### 3.11 Proposed Changes to Council Tax Benefit

The Government has also announced the intention that Council Tax Benefit be replaced by a local scheme to be administered by the Local Authority. The new scheme due to be implemented for the financial year 2013/2014 needs to be designed to obtain a reduction of 10% on the current Council Tax benefit expenditure. As full details have not yet been released, the timescale for devising, consulting and implementing the new scheme is very short.

### 3.12 Outsourcing of Appeals and Tribunal Officer function

As advised in the last monitoring report (July 2011), LBB has been in discussion with Liberata regarding them taking over responsibility for the above function. The transfer of the function was subject to formal consideration during which time no comments were received. Following the end of the consultation period the section was copied into a communication forwarded to Members by the Staff Side Secretary. A further update/report will be submitted advising as to how Bromley would like to progress on this matter

#### General Commentary on Performance

3.13 Under the Exchequer Services specification for the new contract, the targets are comparable or slightly higher than those in 2010/11. Since April 2011, the service provided has been at a level required by the Authority, the only exception being overpayment recovery. However as a result of the overpayment “incentive” scheme, the financial risk of not achieving the required level of performance falls on Liberata.

#### Further Information

3.14 Amanda Inwood-Field, Liberata’s Contract Director, will be attending the meeting to answer any specific questions on their performance.

## 4. FINANCIAL IMPLICATIONS

4.1 Housing and Council Tax Benefit represents a ‘significant “business”. The 2011/12 budget includes payments in excess of £118 million for Housing Benefit and £23 million for Council Tax Benefit being generated. Good performance is important to meeting our customer needs. Any deterioration in performance could result in, for example:

- Increase in “local authority error” overpayments, leading to reduced subsidy from Central Government. It should be noted that from 2011/2012 Liberata are responsible for any subsidy loss encountered by the LBB.
- Potential increase in overpayments which may not be recoverable

<b>Non-Applicable Sections:</b>	Policy, Legal, Personnel
Background Documents: (Access via Contact Officer)	[Title of document and date]

Peter Turner Your Reference

Our Reference

Director of Finance  
London Borough of Bromley  
Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

Date: 16<sup>TH</sup> December 2011

Our Ref: AIF/LH

Dear Peter,

As we approach the January Executive & Resources PDS meeting where we consider and review the performance of the Benefits service, we take this opportunity to write to you with Liberata's assessment of the performance of this critical high profile service that we provide to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the current financial year from 1<sup>st</sup> April to 30<sup>th</sup> November 2011.

Furthermore, we will also set out areas where Liberata is focussing our efforts in order to continue service enhancements and initiatives and deliver ongoing Service Excellence.

## 1. Current Status of the Benefits Service

The continuing downturn in the UK economy has now resulted in a continued and sustained increase in the volume of incoming documents and associated claims. There has also been an increase in documents since the introduction of Atlas. The Benefits caseload, which measures all households receiving Housing and/or Council Tax Benefit, now stands at its highest ever level of 23,699. This equates to a 1.95% increase in the previous rolling year.

### 1.1 Claims and Work Outstanding

I am happy to confirm that the volume of outstanding work has now stabilised and are below agreed targets.

As at the 2nd December 2011, 752 documents were awaiting review and possible action and a further 1,504 items were pended awaiting information from the claimant and/or third-party.



THE LONDON BOROUGH

# LIBERATA

Working in Partnership

## ENQUIRIES:

For Housing Benefit & Council Tax enquiries, telephone 0845 130 0330. You will be able to speak to an advisor or, make an appointment by pressing the personal appointment option. For general enquiries and other departments, telephone 020 8464 3333

This encouraging decrease has been as a direct result of Liberata's investment in both resources and training which has included the recruitment of temporary and permanent employees as well as the up-skilling and training of existing employees.

## **1.2 Right Time Indicator**

In terms of our current position for the nationally recognised Right Time Indicator, we are pleased to confirm that we remain on track to achieve our target of 13.00 days for 2011/2012, with the November indicator being 14.05 days and with a year to date position of 14.23 days.

All local authorities have experienced an increase in work as a result of the Atlas system being installed. This system provides Authority's with information regarding changes to Central Government benefits and Tax Credits. However, despite the significant work this has created we remain on track to be within our processing targets.

## **1.3 Quality**

In terms of the accuracy of processing we are happy to confirm that we have maintained our consistent performance in this high profile area and November's figure of 1.26% (previous indicator) is below the contracted 5.00% for each month of this financial year, averaging 2.34%.

We believe the improvement and ongoing consistency in this area has been a direct result of Liberata's investment in its employees, including the continuation of training and mentoring. In addition to this the close partnership working with the Client Monitoring Team to address issues as and when they arise along with strong internal Quality Leadership.

## **1.4 Overpayment Strategy**

The creation of overpayments is a natural by product of the administration of Housing & Council Tax Benefit, however, in the current climate with increased caseloads and volumes of work this has become an ever increasing challenge.

Whilst we acknowledge these challenges we are also aware that overpayments have a detrimental effect on some of our most vulnerable citizens, therefore, we strive to minimise the creation of unnecessary overpayments, and the associated required recovery of these with the introduction of ongoing initiatives and enhancements.

The restructure of Liberata's Operational Management Team in May 2011 resulted in a new Benefits Manager being appointed which increased the technical expertise within the team. As a result new initiatives have been implemented which has significantly contributed to



the irecovery rate improving as we have progressed through the financial year. The underlying trend for overpayment recovery stood at 73.6% as at the 30 November 2011. Blameless Tenants Recovery, which permits the authority to recover outstanding housing benefit overpayments from another of that landlords tenants housing benefit award, commenced from September 2011. The Landlord is then responsible for crediting the Blameless Tenants rent account to prevent arrears arising. In addition to this a partnership has been formed between Liberata and Keely's solicitors and they have already secured the granting of 3 County Court Judgements.

However, we are fully aware that this measure is particularly susceptible to a number of factors and, as a result, we have now completed a comprehensive Overpayments Strategic Plan to ensure we remain focussed in this area.

## **2. Call Centre & Customer Services**

In the period 1<sup>st</sup> April 2011 to 30<sup>th</sup> November 2011 the numbers of customers seen in or reception area totalled 48,596. Performance in this area remains excellent with a figure of 95% of customers seen within 15 minutes against a target of 85%.

During the last 8 months the Call Centre (Help Line) received 140,288 calls with 97.05% of calls answered. Callers have had an average queue time of 0.14 seconds before being answered by an officer.

Again, this area continues to show improvement in performance due to continual training and when necessary recruitment of additional resources.

We have now adapted our telephony system to ensure the customers receive a more consistent and effective service with various choice options.

## **3. Service Developments**

Liberata's goal is to continue to improve and enhance the services provided to LBB and its citizens through the introduction of innovative and effective solutions.

Examples of current year initiatives;

- Introduction of Blameless Tenant recovery for Overpayments.
- Using the County Court to secure CCJ's on debtors to allow further recovery actions to commence

- Using an independent solicitor's firm to aid our recovery of overpayments
- Formation of the Revenues and Benefits Complaints team to ensure a consistent joined up approach to our responses to customers
- To review and analyse the total number of application forms to ensure no unnecessary duplication from customers and stakeholders, with a view to streamlining the process. The objective of this project is to save time for customers and staff by providing claimants applying for a benefit with one form that will cover other benefits they may be eligible for.

Over the coming months we will be looking at:

- Implementation of Bill and Benefit Letter Matching.
- Enable Self-Service Functionality (Including reviewing all documents to ensure they are available on line)
- Implementation of e-billing
- Implementation of full paperless Direct Debit functionality

#### **4. Investment in the community**

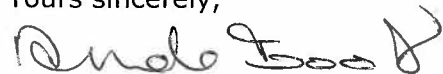
Liberata is keen to play an active and constructive part in the Bromley community. We have been working in collaboration with the London Borough of Bromley on various events including:

- Attendance at the Bromley Partnership Forum held on the 7<sup>th</sup> September 2011
- Attendance at the Diversity day on 18<sup>th</sup> October 2011

In summary, Liberata is extremely pleased to report that despite the recent downturn in the economy we have continued to improve performance in this financial year.

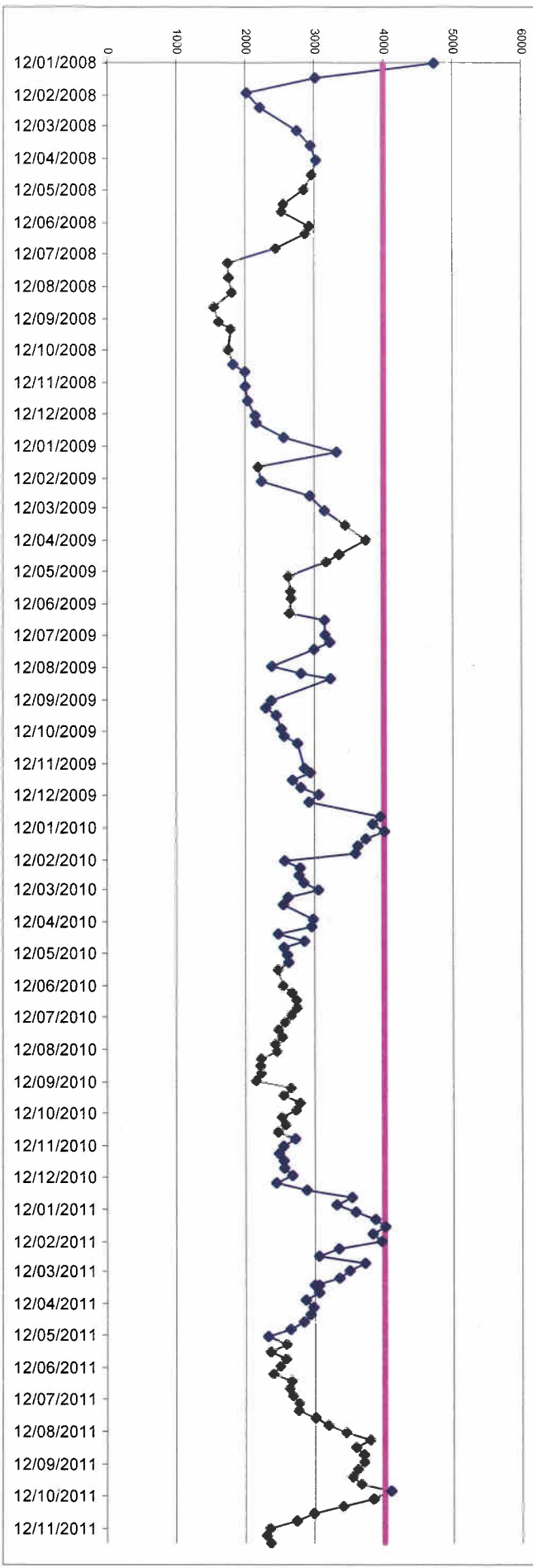
Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely,

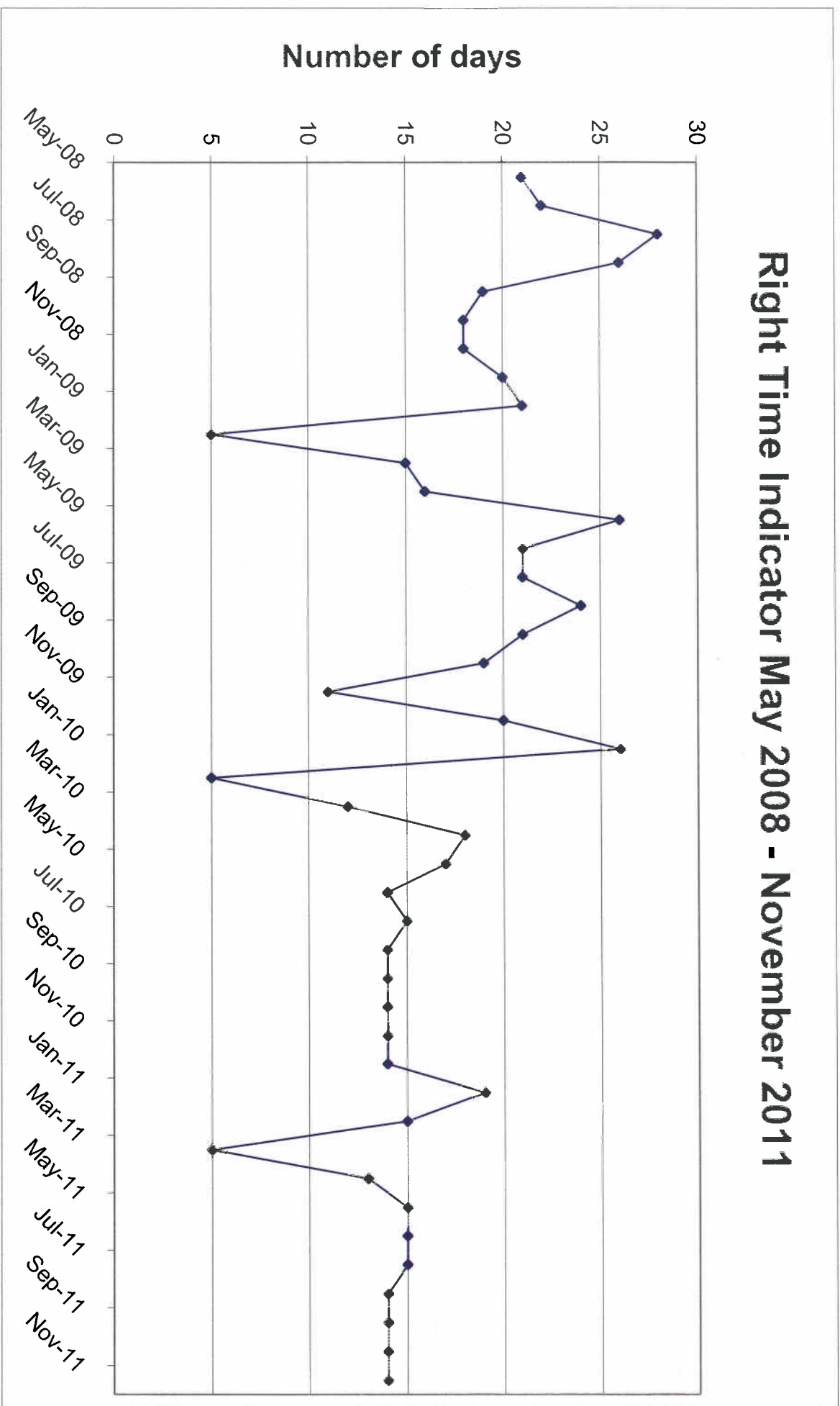


**Amanda Inwood-Field**  
**Contact Director**

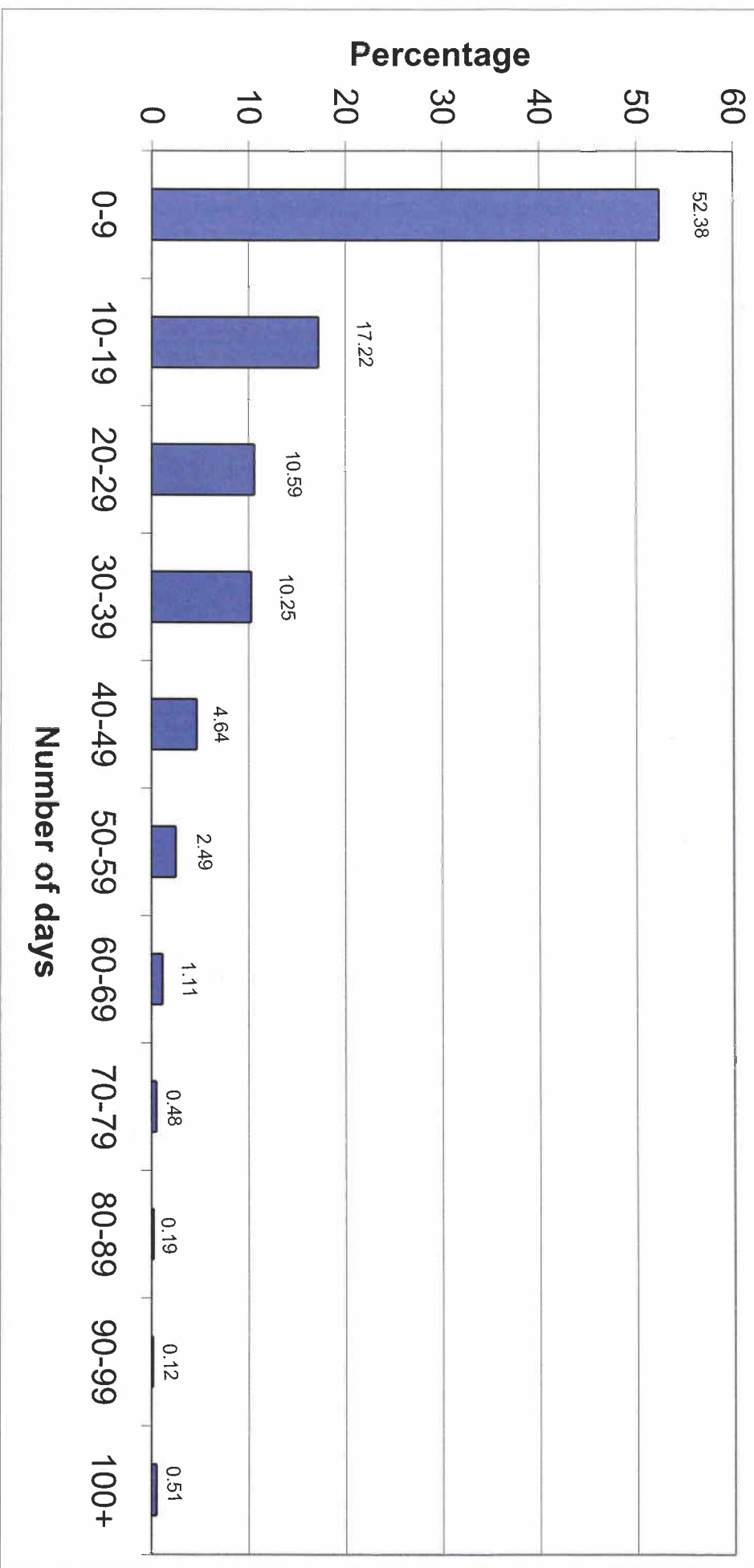
**Total Pending & Outstanding Work  
January 2008 to November 2011**

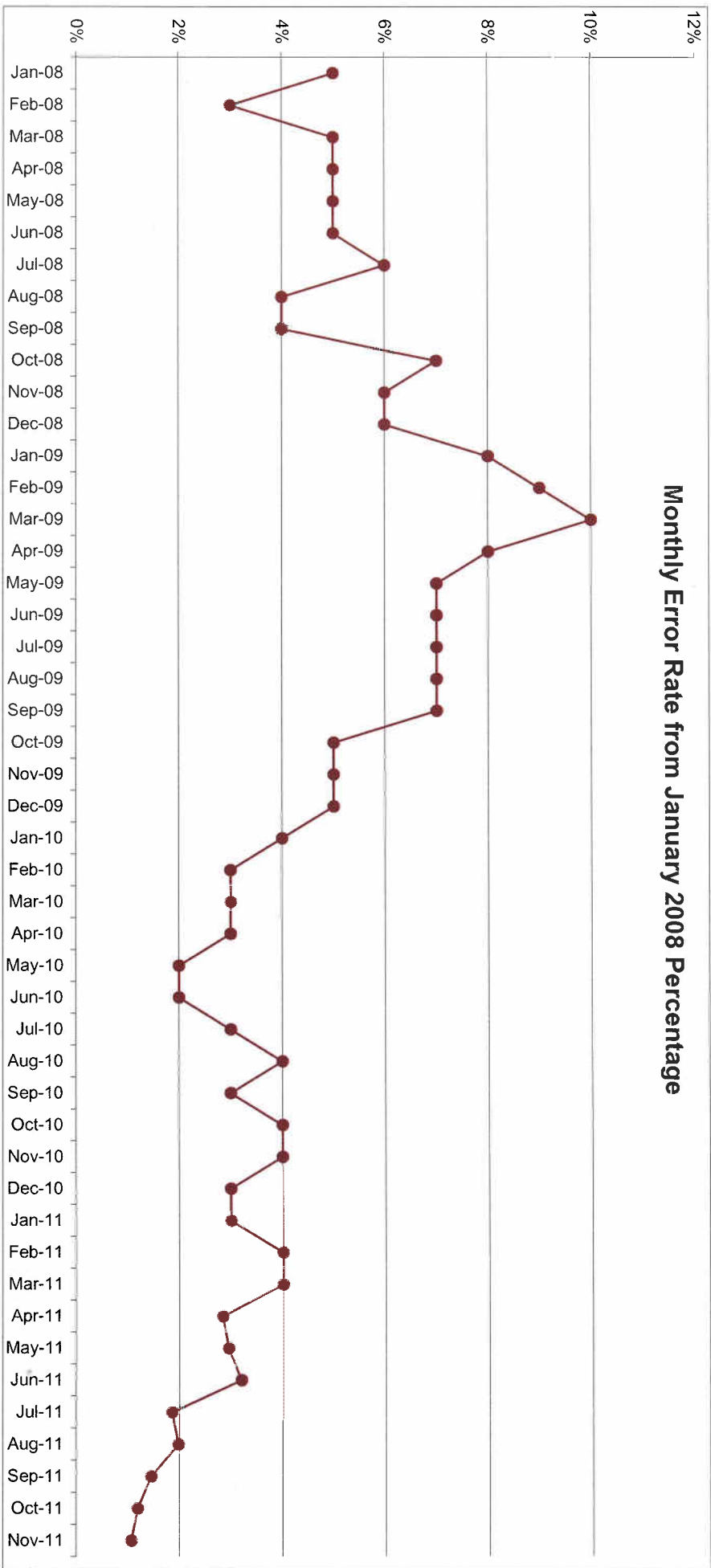


### Right Time Indicator May 2008 - November 2011

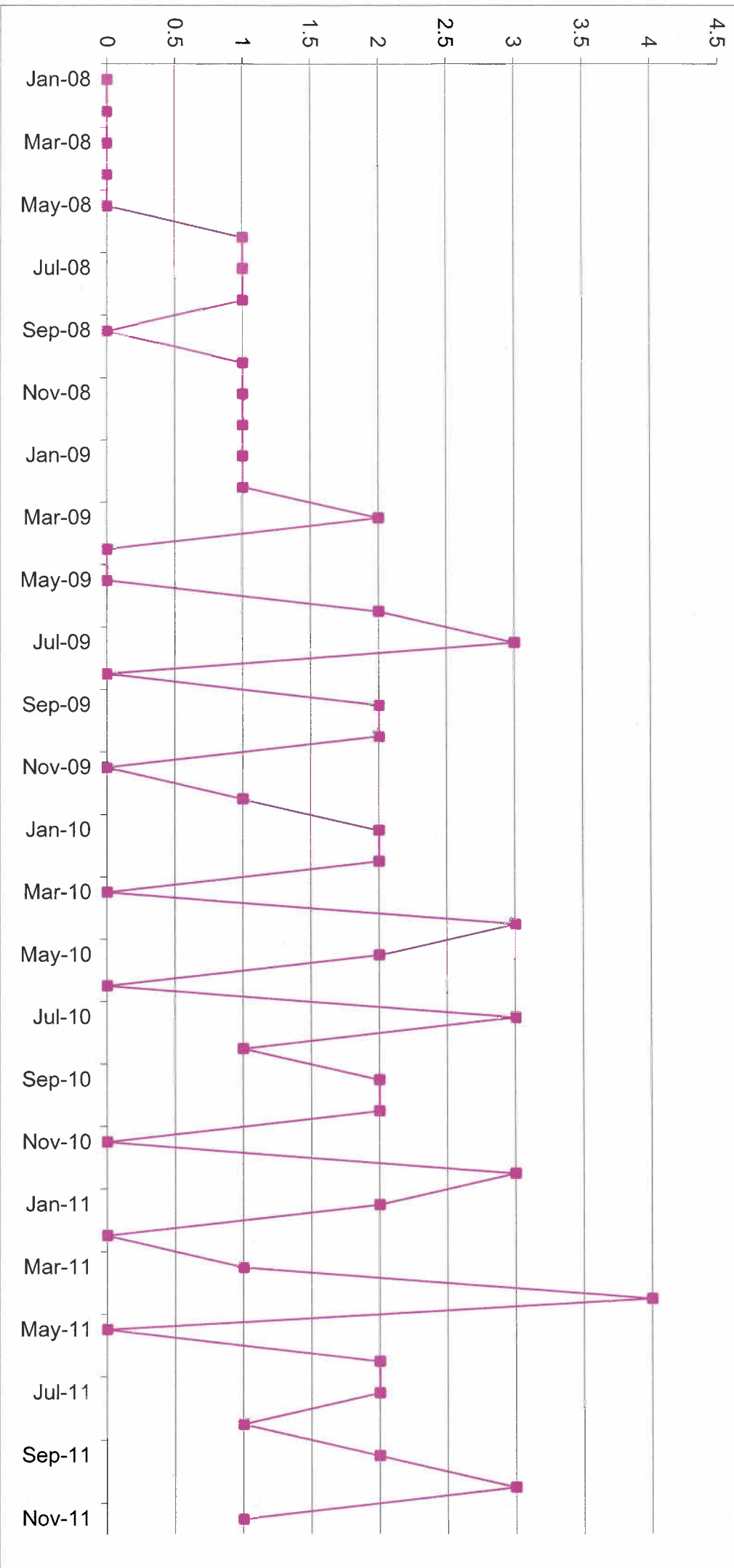


### Housing Benefit Breakdown April - November 2011 Change Events (51,462 ) percentage

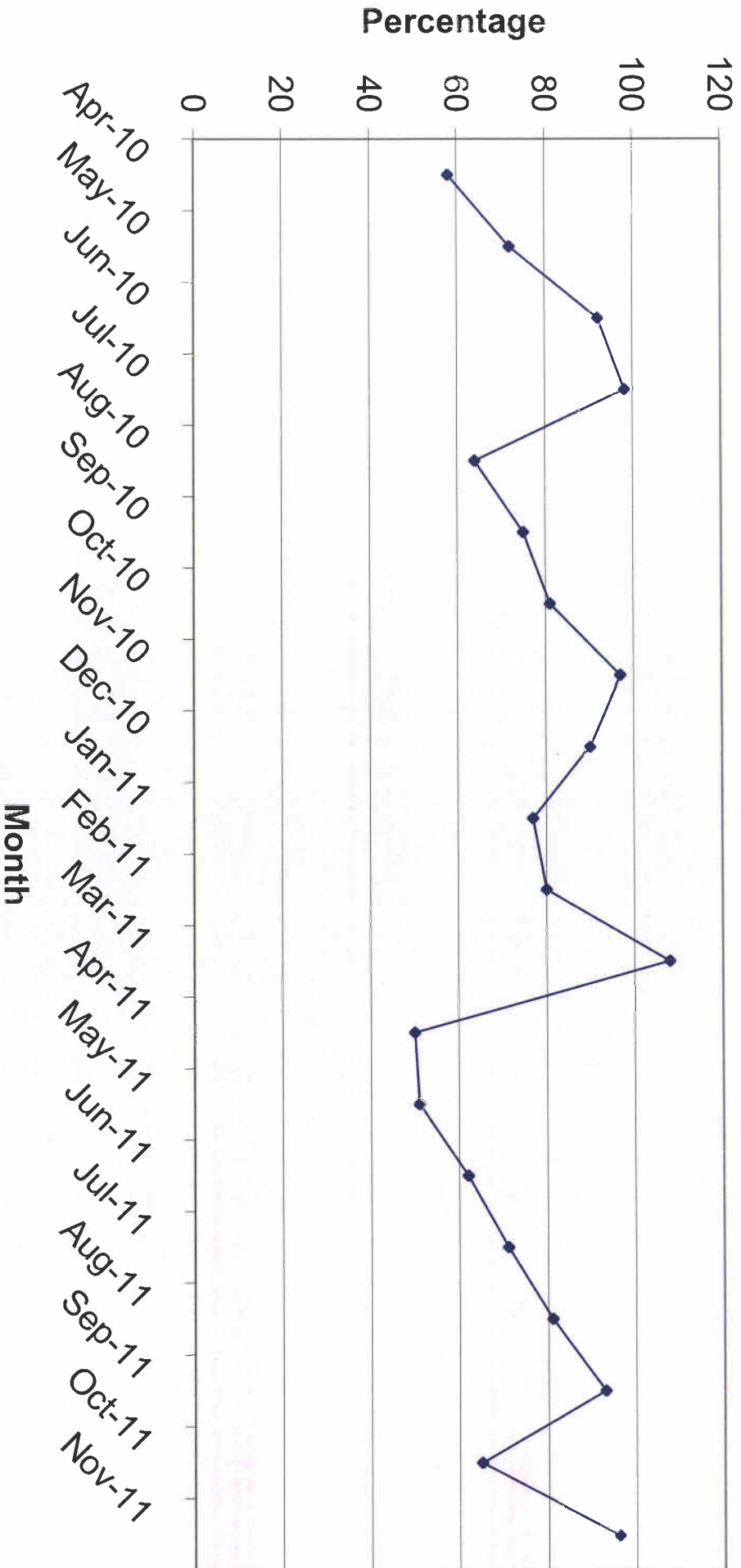




## Housing and Council Tax Benefit Stage 2 Complaints from January 2008

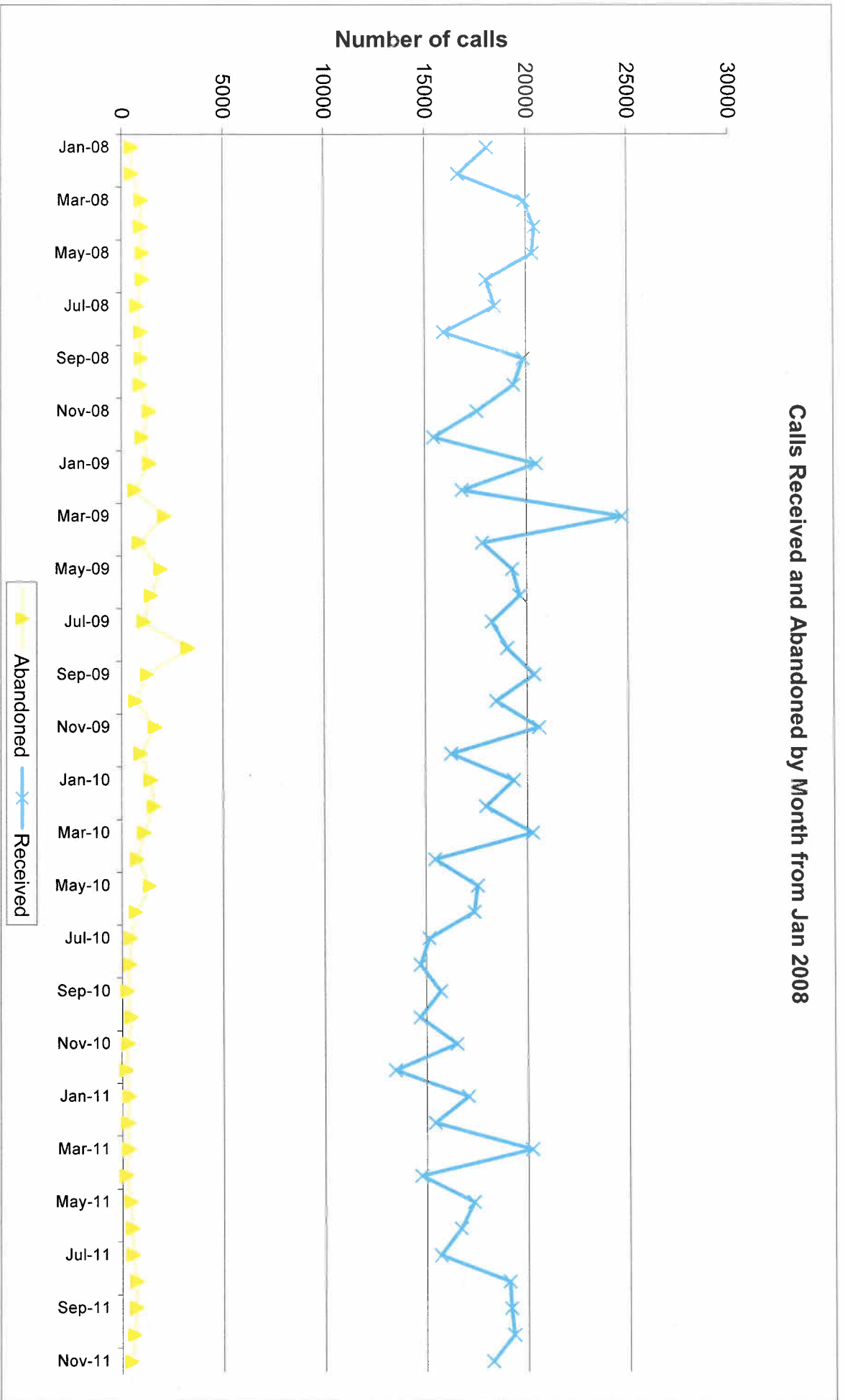


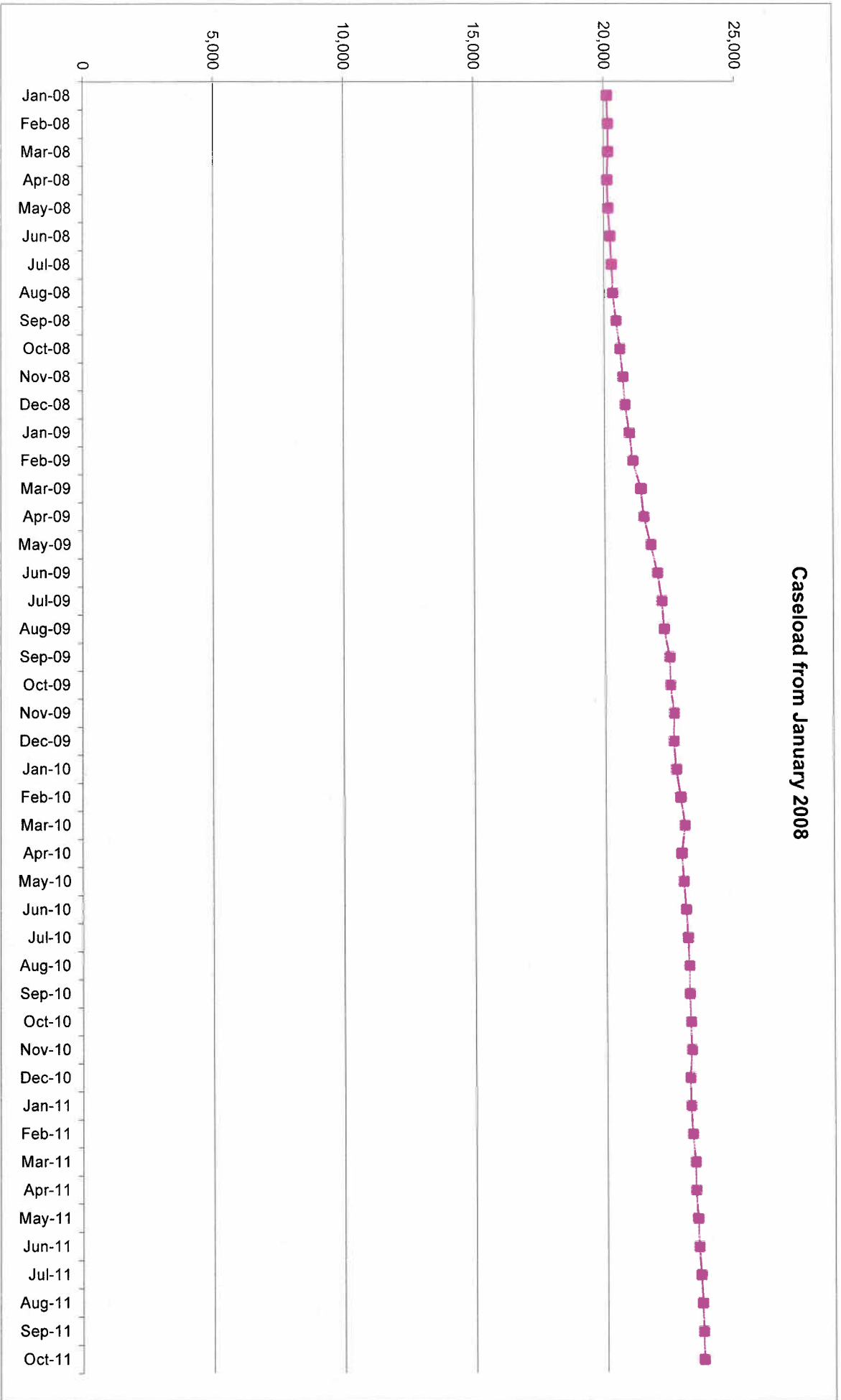
### Housing Benefit Overpayments Underlying Recovery Trend from April 2010





Calls Received and Abandoned by Month from Jan 2008





### Benefits Service Plan – 2011/12

Objective	Success Criteria	Responsible Officer(s)	By when – Position as at 30/11/11
<b>Communications with our customers &amp; stakeholders</b>			
Ongoing review of benefit notifications and templated letters requesting further information to ensure clarity	Reduction of avoidable contact and faster processing of claims	JN, JC & Liberata	Ongoing
Building on the strong relationship that exists with Housing Associations.	Continuation of regular liaison meetings with HA's. Joint working parties to be set up where appropriate	JC	Working party set up. SLA's received from other Councils and extracts bring taken for inclusion in Bromley document.
Targeted benefit surgeries to continue throughout the borough, with the need for new venues being reviewed	Surgeries are well attended and meet the needs of the client groups	JC	Ongoing
Further attendance at Landlord forums	Landlords to have a basic understanding of HB and be aware of proposed changes	JN & Liberata	Talk given at one landlord forum, aim to undertake another by the end of the financial year.
<b>Claim administration</b>			
Provide training to allow more HA and LBB (non benefit staff) to verify documents	Increase in the number of individuals trained to verify documents on behalf of the Benefits Service	JN & JC	Further training session undertaken for staff wishing to verify claims
Smooth transition to the requirements of the new contract specification	Improved performance, meeting the service levels of the specification	JN & JC	Liberata are working to the new specification
Successful move of the reception area to the Civic Centre	No disruption to service	JN, JC & Liberata	This is now unlikely to take place until early in financial year 2012/13

JC Jayne Carpenter

JN John Nightingale