

Phil Burnstead
Assistant Director of Exchequer and Revenue Services
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

25 January 2010

Our Ref: JT/gb

Dear Phil,

As we approach the Executive & Resources PDS meeting where we review the performance of the Benefits service, we take this opportunity to write to you with Liberata's assessment of the current performance of this critical service that we have provided to London Borough of Bromley (LBB) and its citizens for the period from August 2009 to the 31st December 2009.

Furthermore, we set out areas where Liberata is focussing its efforts in order to continue service enhancements and deliver Service Excellence.

1. Current Status of the Benefits Service

The UK economic downturn continues and whilst the immediate impact on the service was a sudden considerable increase in the volume of incoming documents in the first quarter of 09/10 and an increase in the Benefit caseload, the volume of incoming documents has now peaked but they show no signs of returning to previous levels.

As we reported last time, Liberata did make plans for an increase in work by recruiting additional assessors and up-skilling some of our existing employees. We also made arrangements to use the skills of some of our existing employees locally in Bromley by building a new assessment team. This team is now in place and their knowledge and experience is proving to be a considerable asset to Bromley.

However, despite our preparations we simply could not have anticipated a number of factors that have significantly affected our ability to achieve some of the stretch targets we had set ourselves at the start of the year. These have included the:

- Loss of all but 4 of the experienced and productive assessors who we moved out of our Sheffield Shared Service Centre to our Business Technology Centre in January 2009 when we were unsuccessfully in retaining the Sheffield contract.
- Time and resource required to recruit and train new assessors and up skill existing employees to cope with the demand generated by an increase in work.
- 'Poaching' of experienced assessors from our Barrow shared service centre by a rival provider of benefits transactional service.

In our last report we outlined many of the investments we had made since the start of the 2009 calendar year. This investment is continuing and since August 2009, the following actions and related investments have been made:

- Temporary assessors to help maintain business as usual whilst new assessors were recruited and trained and clear backlogs of work
- Recruitment of a further 28 new employees in our Barrow Shared Service Centre to provide greater resilience to our benefits teams (once fully trained and productive).
- Enhanced overtime payments to employees
- Maintained increased productivity of assessors by 32% (average of 22 documents to 29 per day).

1.1 Claims and Work Outstanding

The volume of outstanding work is higher than at the time of the last report; however is decreasing again and we are managing this position and monitoring the situation regularly.

We have focussed on reducing the volume of new work. As at the 31st December 2009, 2,112 documents were awaiting

review/action and a further 1,820 items were awaiting information from the claimant and/or third-party.

1.2 Right Time Indicator

In our last letter we mentioned that the economic climate had an impact on our workloads and affected our performance in the first part of the 09/10 financial year but we expected to return to normal business as usual levels by September 2009.

This was achieved, but unfortunately a couple of events that took place during the months of October and November 2009 led to a new small backlog of work to build-up in December 2009. These events were the loss of 2 experienced assessors in our Barrow Shared Service Centre; an assessor in Sheffield; the need to back-fill a vacancy in our Homeless Persons assessment team by a Bromley assessor.

We now have new assessors in the team and are in the process of recruiting a new experienced assessor to the Bromley team. Until the new assessors are fully trained and productive we have employed four temporary resources. We are committed to clearing the backlog by the start of February 2010.

The Right Time Indicator for December was 20.02 days, which was disappointing. However, performance was affected by the ongoing clearance of the backlog and an initiative to clear claims outstanding for more than 50 days. We recognise, there is still a considerable amount of work to be done to meet the service level agreed with the LBB. Given the current position, we believe a full year outturn of 16.5 days to be realistic and achievable..

1.3 Quality

Since our last report, accuracy of processing has improved month on month from 6.96% in July 2009 to 5.19% in December 2009.

This improvement has required considerable investment by Liberata; we are continuing to provide training and mentoring to employees and have recently appointed two new benefit training officers to strengthen our team. We are also in the process of compiling a comprehensive Benefits Procedure Manual for assessors, which we believe will help to further reduce errors

1.4 Overpayment Strategy

Whilst we believe that the increase in the creation of overpayments is part of a national trend due to increasing caseloads, we place the highest importance in increasing the delivery of the service in this important area.

We have introduced some new initiatives in this area, but overpayment recovery is being hit by the economic climate. The underlying trend measured 74.19% as at the 31 December 2009.

We will continue with the enhancements we have introduced this year. Furthermore we have just completed some analysis work which will help us focus our activities better in the remaining months of the year. We are also adding some temporary resources to the team to help in the final push.

2. Call Centre & Customer Services

During the first four months of the financial year 2009/10 15,917 customers (an increase of 3.2% over the previous four months) visited our reception centre and on average 76% of these customers were seen by an advisor and had their query dealt with within 15 minutes.

During this period, the Call Centre (Help Line) received over 75,139 calls with 92.9% of calls answered. Callers had an average queue time of 67 seconds before being answered by an officer.

We continue to look at ways in which our services to customers can be improved and we now offer a full and effective 'Call Back facility' for our peak times. 'Call backs' are a necessity when call volumes peak due to the issue of council tax reminders and summonses which are issued to ensure we maximise collection.

The first phase of the Customers Services refurbishment in Exchequer House was completed in January 2010. This has made a significant difference to the customer experience as it has provided the following enhancements:

- Additional seating
- Dedicated section for customer use for completing forms etc

- Expanded the reception area incorporating a 'fast track' counter
- Allowing more privacy for customers during appointments

The next phase which will be completed by March 2010 which will see the current interview area being refurbished and creation of additional interview booths.

3. Service Developments

Our aim is to continuously improve the services we provide to LBB and its customers. At the start of the 2009/2010 financial year we developed a 2009/2010 Service Plan which defines a programme of service developments and improvements we intended to introduce throughout the year.

- The continuation of the Priority Queue system – meaning we are able to identify claims and changes that are ready to process (because we do not need any additional evidence from the customer) and process these within 48 hours of receipt.
- In December 2009 we introduced the T1+35 process. This process ensures claims are not repeatedly pended and information requested from the customer and stops them from remaining unprocessed longer than 50 days.
- The new DWP 'In and Out of Work' process has been introduced to assist customers who are moving from work onto benefit or from benefits into work.
- The DWP Claims process is about to be introduced following a technical fix having been applied by Northgate to the Document Management system.

We also had planned to introduce the Evidence Capture Application and appointments for the delivery of evidence. We have delayed this project as a result of findings of two of our other contracts where this project was introduced. Upon introduction it was concluded that only 50% of customers are attending their appointments which has caused issues for us in customer services.

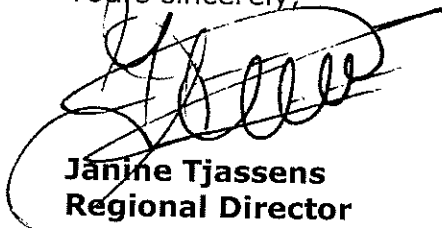
4. Investment in the community

During February we will be holding an event in the 'Glades' shopping centre to promote the uptake of Benefits, encourage customers to pay Council Tax by Direct Debit and also use the opportunity to share the benefits of using London Borough of Bromleys 'Self Service' option, that will be launched in the new financial year.

In summary, we am pleased to be able to report that although the affects of the economic downturn have continued to be apparent over the past 9 months, we continue to strive to deliver continuous improvement in pursuit of Service Excellence.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Janine Tjassens', written over a horizontal line. The signature is stylized and cursive.

Janine Tjassens
Regional Director