

Decision Maker: Executive & Resources PDS

Date: 18 July 2012

Decision Type: Non-Urgent Executive Non-Key

Title: HOUSING AND COUNCIL TAX BENEFIT SERVICE
MONITORING REPORT

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Chief Officer: Director of Resources

Ward: All

1. Reason for report

This report details the level of performance provided by the Benefits Service during the period 1/12/11 – 31/3/12.

2. **RECOMMENDATION(S)**

Members are requested to:

- (a) Consider the current levels of performance
- (b) Consider performance against the 2011/12 service plan
- (c) Agree the content of the 2012/13 service plan

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 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
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Legal

1. Legal Requirement: Statutory Requirement. Housing Benefit Regulations 2006
 2. Call-in: 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

3.1 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.

Outstanding Work

3.2 The current outstanding work totals 4298 (30/3/12). From April 2011, the weekly target was reduced from 4000 items to 3000, including pending. However, it should be noted that additional work has been created by the DWP's Atlas system and that dispensation has been given for the additional documents created. The outstanding work figure reported for March 2012 also takes into account the annual Housing Association rent increases.

3.3 Appendix 2 shows the level of outstanding work since January 2008.

Claim Processing

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

3.5 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	14.23	14.02	14.25	14.31	6.19

Average for the year (April 2011 to 31 March 2012 is 12.68 days)

Although the monthly performance figures from April 2011 to February 2012 were outside the target, a significant reduction was made in March 2012 due to the positive impact of the benefits uprating and annual rent increase for many of the Housing Association properties. The combined totals resulted in Liberata being with in target.

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 3, 2011/12 were released by the DWP on 24 April 2012. Bromley's reported average new claim figure is 22 days and average change in circumstances figure is 12 days. The national average for Quarter 3, 2011/12 was 23 days for new claims and 11 days for change in circumstances.

The results for Quarter 4, 2011/12 are not due to be reported by the DWP until 24 July 2012.

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

3.6 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 December 2011 to 31 March 2012, 68,940 claims/changes were

processed, of which 98.77% were processed within 50 days. Appendix 4 shows a detailed breakdown.

Error Rate

3.7 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. The current measurement used to identify performance includes administrative errors that could lead to a financial error in the future, thereby providing a full measure of performance.

3.8 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 December 2011 to March 2012 under both measures:

	Dec 11	Jan 12	Feb 12	Mar 12
% error rate - old measure	1.73	1.17	2.01	1.98
% error rate - new measure	4.85	1.72	3.13	2.89

As expected the new measure shows a higher error rate which is currently being monitored. From April 2012, only the new measurement will be reported.

Complaints

3.9 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.

Overpayments

3.10 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.

- 3.11 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 1 April 2011 to 31 March 2012 was 83.03%. This exceeds the agreed annual target of 81% by 2.03 %. In the current economic climate this was a real achievement and the work involved should be not underestimated.

Call Centre (Help Line)

- 3.12 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 2.9% (March 2012), with the average time a caller had to wait being 15 seconds (March 2012). Whilst the abandoned rate shows a deterioration on the figure contained in the last report (January 2012), the number of calls received in March 2012 was 20,478, this is a considerable increase on any other month and is attributed to the annual benefits uprating and the issuing of Council tax demands.

Caseload

- 3.13 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 caseloads since Liberata became responsible for the service in 2002. At the end of March 2012 the number of households in receipt of Housing and/or Council Tax Benefit was 23,675.

Welfare Reform

- 3.14 **Benefits Cap**

From April 2013 a limit will be placed on the amount a working age household can receive in benefits (e.g. job-seekers allowance, income support and Housing Benefit). The "Benefits Cap" will be set at £26,000 per annum which is the average working family income after tax (£18,000 for a single person). The only exceptions will be those households that include a claimant receiving Disability Living Allowance, War Widow 's pension or Working Tax credit.

The "Benefits Cap" will apply to all working age households who rent from either the private or social rented sectors. Local Authorities will administer the Benefits Cap by restricting the amount of Housing Benefit that is paid.

The DWP have advised Bromley that 397 households may potentially be affected. We are currently working with the DWP to ensure that the households affected are made aware of the cap.

- 3.15 **Size criteria for working age claims in from the Social rented accommodation**

In April 2013, the size criteria currently adopted by the Local Housing Allowance claims, will be applied to working age claimants who rent their home from the social sector (e.g. Housing Association tenants or registered charities) and reduce the amount they are entitled to. This means that people living in social rented properties larger than they need

(under occupiers) will have to make up the difference in their rent or find alternative accommodation.

3.16 The size criteria in social rented sector will restrict Housing Benefit to allow for one bedroom for each person or couple living as part of the same household, with the following exceptions

- Children under 16 of the same gender will be expected to share
- Children under 10 expected to share regardless of gender
- Disabled tenant or partner who needs a non resident overnight carer will be allowed to have an extra bedroom

All claimants who are deemed to have a least one spare bedroom will be affected. This will include:

- Separated parents who share the care of their children and who may have been allocated an extra bedroom to reflect this. Benefit rules mean that there must be a designated “main carer” for the children.
- Couples who use their spare bedroom when recovering from an illness or operation
- Foster carers because foster children are not counted as part of the household for benefit purposes
- Parents whose children visit but are not part of the household
- Families with disabled children
- Disabled people including those who are living in adapted or specially designed properties.

The amount of benefit lost will be based on a fixed percentage of the eligible rent for Housing Benefit purposes.

The Government has indicated that percentage will be set at 14% for one bedroom and 25% for two or more extra bedrooms.

It is not possible to predict accurately how many of Bromley’s working age claimants will be affected by this change as the benefit records for social rented properties do not contain any information relating to property size (number of bedrooms).

Bromley currently has 8614 claims from working age people living in social rented properties and we are currently working with Registered Social Landlords to ascertain which tenants may be affected.

3.17 **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 31 March 2012.

The 2012/13 Service plan attached at Appendix 11 for your consideration.

3.18 **Universal Credit**

A Government White Paper was issued on the 11th 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.

3.19 **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 whilst ensuring that all pensioners are protected. As full details have not yet been released the timescale for devising, consulting and implementing the new scheme is very short. A separate report will be provided at the meeting.

3.20 **Outsourcing of Appeals and Tribunal Officer function**

As advised on the last monitoring report (January 2012), LBB has been in discussion with Liberata regarding them taking over responsibility for the above function. A further update/report will be submitted advising as to how Bromley would like to progress on this matter once the Council Tax Support scheme has been designed.

3.21 **General Commentary on Performance**

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, including overpayment recovery.

Further Information

3.22 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.

4.2 Potential increase in overpayments which may not be recoverable

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