

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 18 July 2013

Decision Type: Non-Urgent Executive Non-Key

Title: HOUSING AND COUNCIL TAX BENEFIT SERVICE MONITORING REPORT

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Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

This report details the level of performance provided by the Benefits Service during the period 1 April 2012 to 31 March 2013.

2. **RECOMMENDATION(S)**

Members are requested to:

(a) Consider the service performance for 2012/13

(b) Support the Discretionary Housing Payment policy attached at Appendix 10

Corporate Policy

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

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: £3.5 million
 5. Source of funding: Government Subsidy
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Staff

1. Number of staff (current and additional): 6.5 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): 24,000 households
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Ward Councillor Views

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

3 **COMMENTARY**

This report details the level of performance provided by Liberata during the period 1 April 2012 to 31 March 2013, supported with graphical illustrations in the appendices. A letter from the Contract Director of Liberata commenting performance is provided in Appendix 1.

3.1 **Outstanding Work**

The outstanding work totals as at 31 March 2013 was 4263. From April 2011, the weekly target is 3000 items, including pending. However it should be noted that the outstanding work figure reported for March 2013 also takes into account the additional work created by the DWP's Atlas system which includes the annual up rating of all DWP benefits and the annual Housing Associations rent increases.

Appendix 2 shows the level of outstanding work since April 2011.

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 2012/13 target of 13 days:

	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	12	12	12	12	12	12	12	12	12	13	13	13
Right Time	15.81	15.60	16.43	18.84	19.26	16.43	17.36	17.36	17.37	17.20	16.99	4.90

Average for the year (April 2012 to 31 March 2013) was 15.5 days

As performance was outside target the issue was escalated to Senior Managers in July 2012 and a recovery plan agreed.

However it should be noted that several other factors impacted on performance including the disruption caused by the Benefit Service moving from Exchequer House during July 2012, the additional work being created by the Atlas system and the affect of Welfare Reform preparation

Performance under the Right time indicator since April 2010 is illustrated in Appendix 3.

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.

From April 2011, under the specification of the Exchequer contract, accuracy levels have been calculated and report differently. The report figure is now the percentage of errors identified when checking a cross section of the contractor's assessments. This method provides a more holistic approach ensuring that all types of assessments are checked.

The table below shows the monthly performance for the period 1 April 2012 to 31 March 2013:

	April 12	May 12	June 12	July 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13
% target	5	5	5	5	5	5	5	5	5	5	5	5
% of Error rate (financial)	3	1	4	2	6	8	9	10	9	6	8	5

During the summer, the error rate increased above target. This was attributed to new staff being recruited by Liberata and was escalated to Senior Managers, who agreed a recovery plan.

Appendix 4 provides a graphical illustration of the error rate for the period 1 April 2012 to 31 March 2013.

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 5 illustrates the number of second stage complaints received on a monthly basis from April 2011.

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 the community.

Under the specification for the Exchequer contract, the target for overpayment recovery for 2012/13 increased from 81% to 82%

Appendix 6 shows the monthly recovery rates since April 2011. The recovery rate for the year 1 April 2012 to 31 March 2013 was 86.64%, exceeding the agreed annual target by 4.64 %. In this current economic climate this a considerable achievement and the work involved in obtaining this result should not be underestimated.

3.6 Call Centre (Help Line)

The graph at Appendix 7 details the performance of the Call Centre from April 2011.

The latest position indicates an abandoned call rate of 3.4% (March 2013), with the average time a caller had to wait being 41 seconds (March 2013). The total number of calls was 14,125.

In order to negate any increased demand on the Call Centre additional lines were opened in the Civic Centre to take calls relating to the proposed local Council Tax Support scheme and the technical reforms changes made to Council Tax.

3.7 Caseload

Details of the trend for the number of claims in payment are shown at Appendix 8. This illustrates that there has been a significant increase overall caseload since Liberata became responsible for the service. At the end of March 2013 the number of households in receipt of Housing and/or Council Tax Benefit was 23,808.

3.8 Welfare Reform

Details of planned Government Welfare reform were provided in the last report. Whilst this document relates to service performance during 2012/13 for your information I have attached a copy of a recent presentation giving the current position.

A copy of the presentation can be found at Appendix 9

3.9 Discretionary Housing Payment Policy

The introduction of the Benefit Cap and the Social rent restriction caused by the adoption of the size criteria in April 2013 has resulted in a significant number of Bromley households experiencing a reduction in the level of Housing Benefit (HB) they receive. The reduction in HB has left the claimant with an additional sum to find in order to meet their rental liability.

In recognition that many households affected by the changes were the more vulnerable members of the community, the DWP increased the level of funding provided to LA's for awarding Discretionary Housing Payments (DHP's).

In respect of Bromley, the DHP funding increased from £226,883 in 2012/13 to £700,174 for 2013/14. Whilst this is a significant increase, it falls far short of the annual HB reductions claimants have experienced. Given the increased funding and requests for assistance, the policy under which applications will be considered has been made more comprehensive, this together with the revised application form are attached as Appendix 10 & 11.

3.10 General Commentary on Performance

Under the Exchequer Services specification for the new contract the targets are comparable or slightly higher than that 2011/12. Since April 2012, the service provided was not always at the level required by the Authority and resulted in Senior Management intervention. However, Liberata acknowledged the shortcomings and worked with the Authority to improve performance. It will be seen from the appendices that performance improved in the latter part of the reporting period.

3.11 Further Information

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

4 FINANCIAL IMPLICATIONS

Housing and Council Tax Benefit represents a significant "business". The 2012/13 budget includes payments in excess of £118 Million for Housing Benefits and £20 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 2011/12 Liberata are responsible for any subsidy loss encountered by the LBB.

Potential increase in overpayments which may not be recoverable.