

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

Date: 4 July 2013

Our Ref: AIF/GT

Dear Peter,

As we approach the July 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 financial year ending 31<sup>st</sup> March 2013.

## **1. Current Status of the Benefits Service**

The Benefits caseload, which measures all households receiving Housing and/or Council Tax Benefit was 23,808 at the end of March 2013.. There continues to be a sustained increase in the volume of incoming documents and associated claims, primarily due to the economic downturn and Welfare Reform changes. Unfortunately there was a deterioration of service in mid summer due to increased volumes of ATLAS documents, the physical move of the service to the Civic Centre and the the recruitment of temporary agency staff, which later caused issues with quality.

### **1.1 Claims and Work Outstanding**

I am happy to confirm that the volume of outstanding work has now stabilised and the breakdown is shown below.

As at the 31<sup>st</sup> March 2013 2,767 documents were awaiting review and possible action and a further 1,856 items were pended awaiting information from the claimant and/or third-party.

## **1.2 Right Time Indicator**

In terms of our current position for the nationally recognised Right Time Indicator, unfortunately we did not achieve the target of 13.00 days for 2012/2013, with annual performance being recorded as 15.53 days. This was predominately due to an influx of incoming work throughout the year and the inability to recruit and retain the high calibre of staff required for the Bromley contract.

## **1.3 Quality**

In terms of the accuracy of processing we experienced a number of issues due to the recruitment of agency staff. These issues have now been addressed and we are happy to confirm that we have improved our performance in this high profile area. March's figure of 4.91% confirms that we are endeavouring to achieve and maintain quality levels at a minimum of 95%.

We firmly believe the improvement in this area has been a direct result of Liberata's investment in its employees, including the continuation of training and mentoring and the close partnership working with the Client Monitoring Team.

## **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 recovery has become an ever increasing challenge.

New initiatives have significantly contributed to the increased recovery rate of 86.64% for the 2012/13 financial year. This exceeds the agreed target of 82%. Blameless Tenants Recovery, which permits the authority to recover outstanding housing benefit overpayments from another of that landlords tenants award, commenced from September 2011 and continues to date. The Landlord is then responsible for crediting the Blameless Tenants rent account to prevent arrears arising. This has played a major role in ensuring that we have effectively secured the debt for recovery. In addition to this, a partnership has been formed between Liberata and a solicitors firm that specialises in debt recovery and they have already secured the granting of 19 County Court Judgements out of the 20 submitted to the Court for the 2012/13 financial year.

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

The number of customers seen in customer services totalled 40,902 for the financial year 2012/13. Performance in this area remains excellent with a figure of 88% of customers seen within 15 minutes against a target of 85%.

During the financial year the Call Centre (Help Line) received 208,619 calls with 96.5% of calls answered. Callers have had an average queue time of 19 seconds before being answered by an officer.

## **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;

- Continuation of Blameless Tenant recovery for Overpayments.
- Continued use of County Court to secure CCJ's on debtors to allow further recovery actions to commence
- Continued use of an independent solicitor's firm to aid our recovery of overpayments
- Increasing our permanent resource on the Bromley Benefits Assessment Team
- Introduction of ATLAS automation
- Introduction of ETD automation
- Introduction of pre Welfare Reform localised mini call centre to deal with the influx of calls generated through communication to the general public

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#### **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 events including:

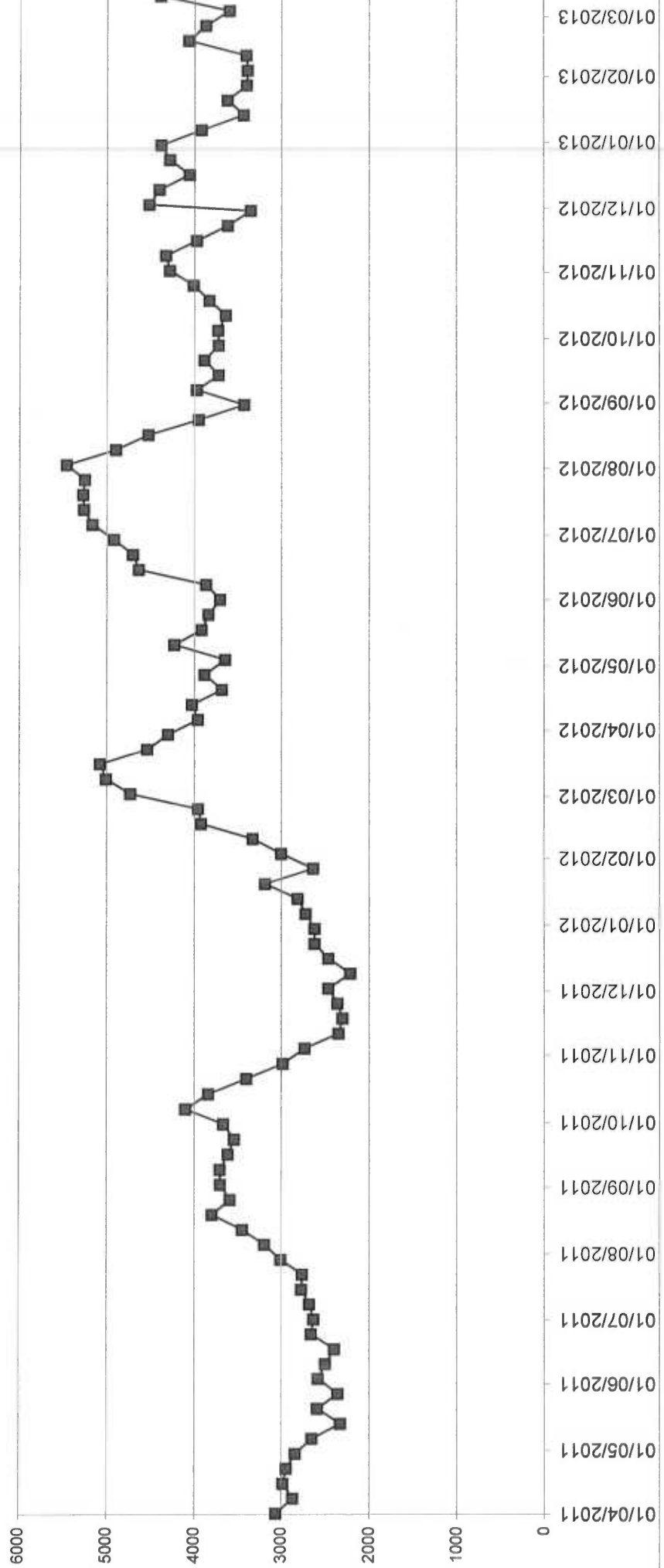
In December 2012 we worked with the United Reformed Church, to provide Christmas presents to approx 200 people who attended the lunch held at the church on Christmas day. The organisers were grateful for the co-operation, support and gifts at what can be a difficult time of the year for the vulnerable people in the community.

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

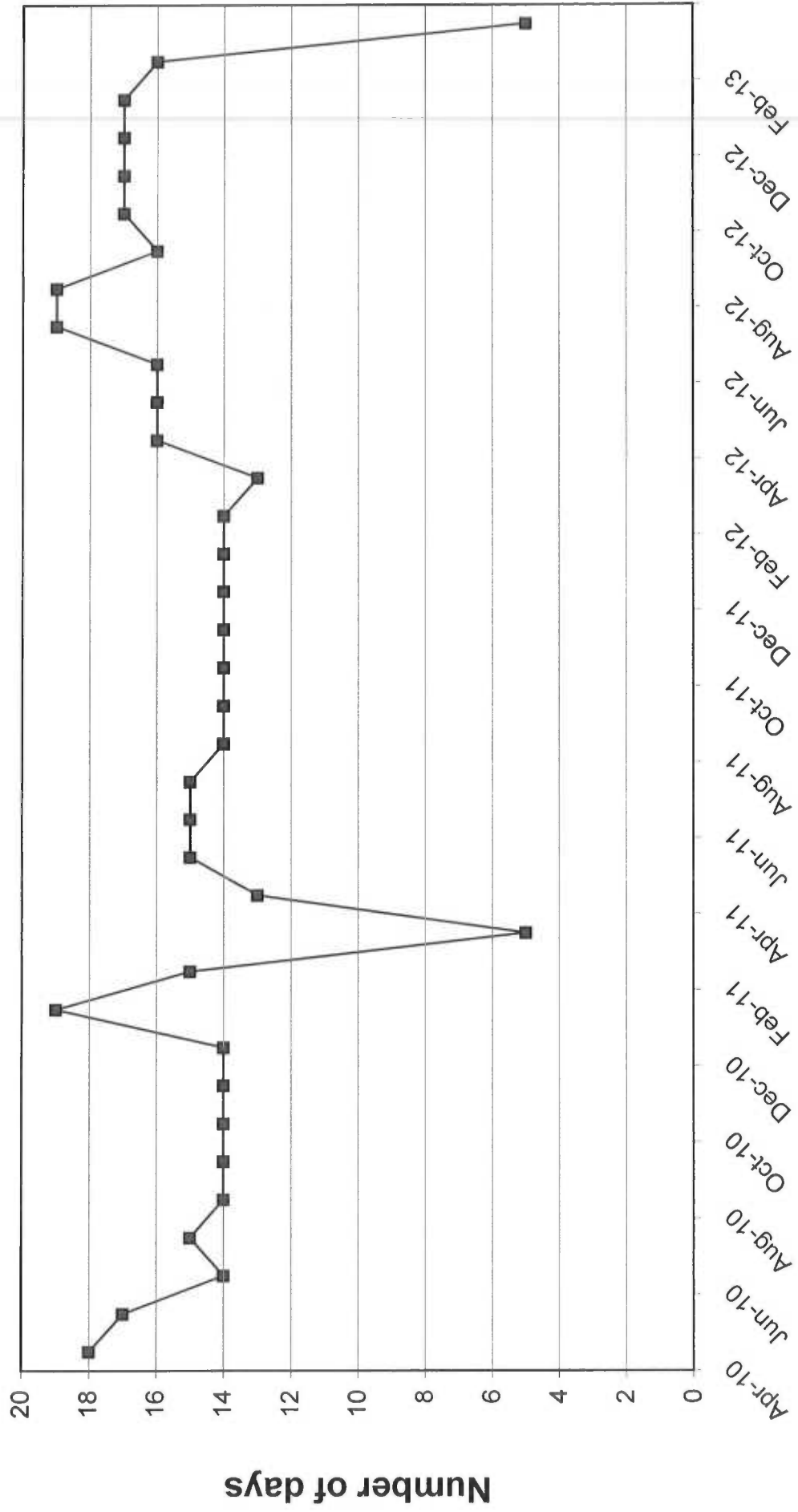
Yours sincerely,

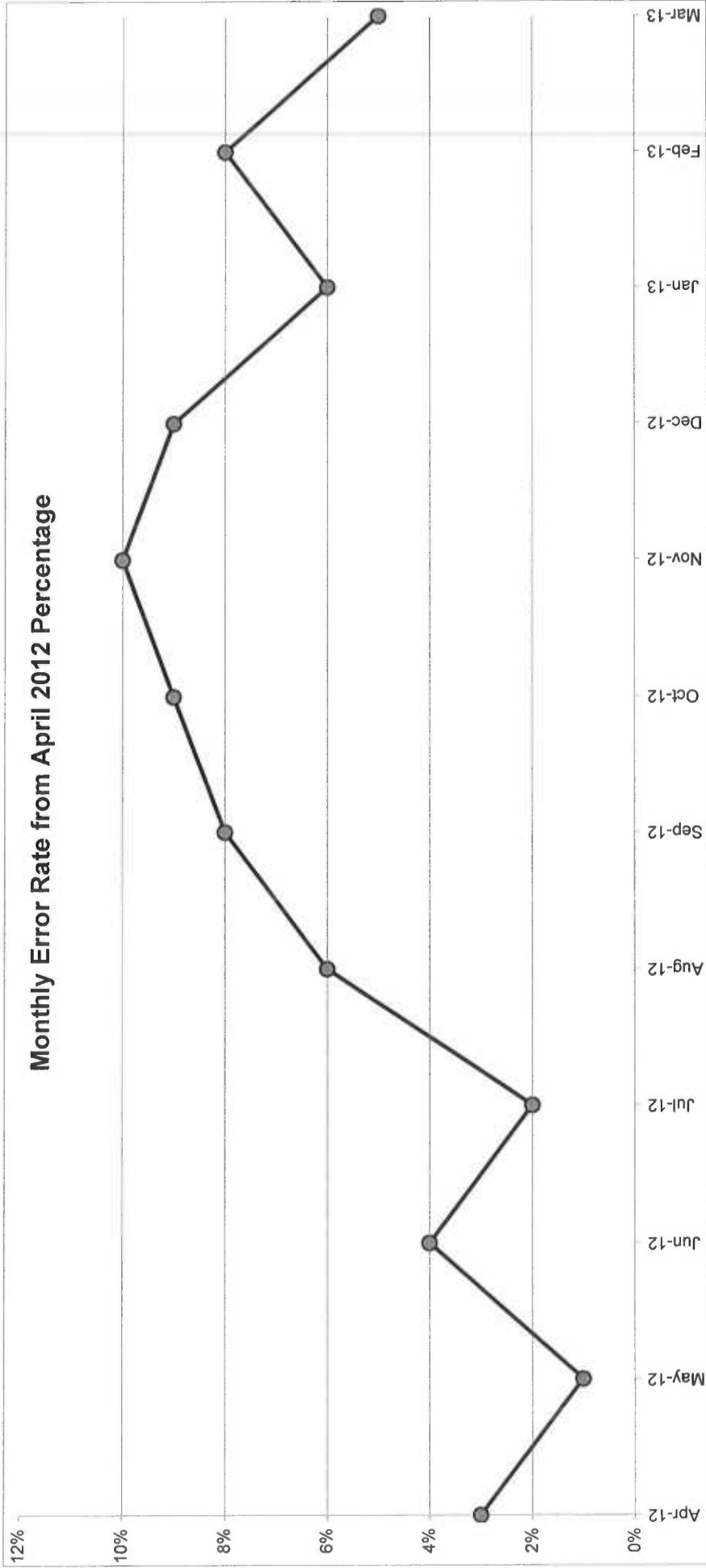
Amanda Inwood-Field  
Contract Director

Total Pending & Outstanding Work  
April 2011 to March 2013

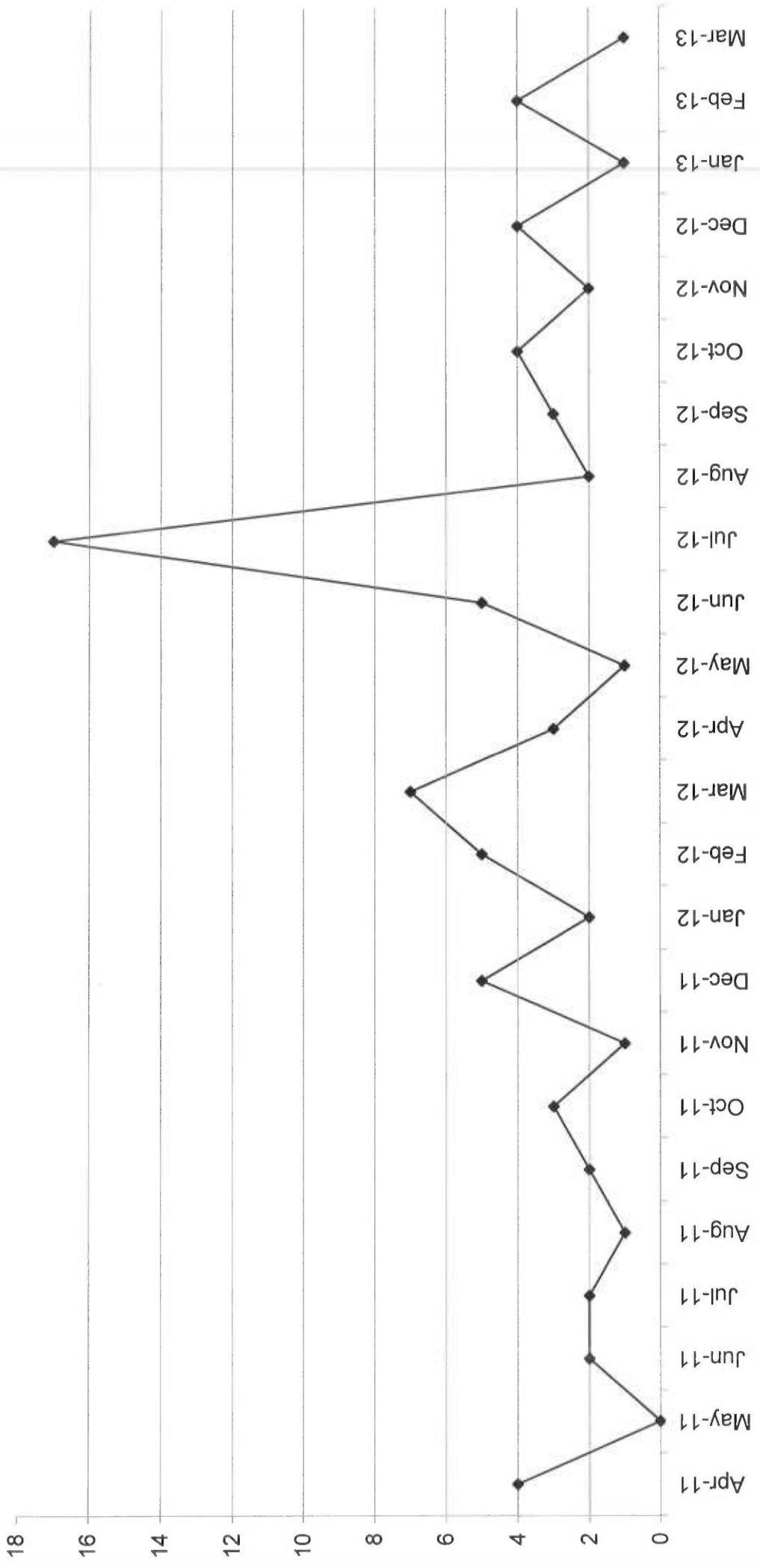


# Right Time Indicator April 2010 - March 2013



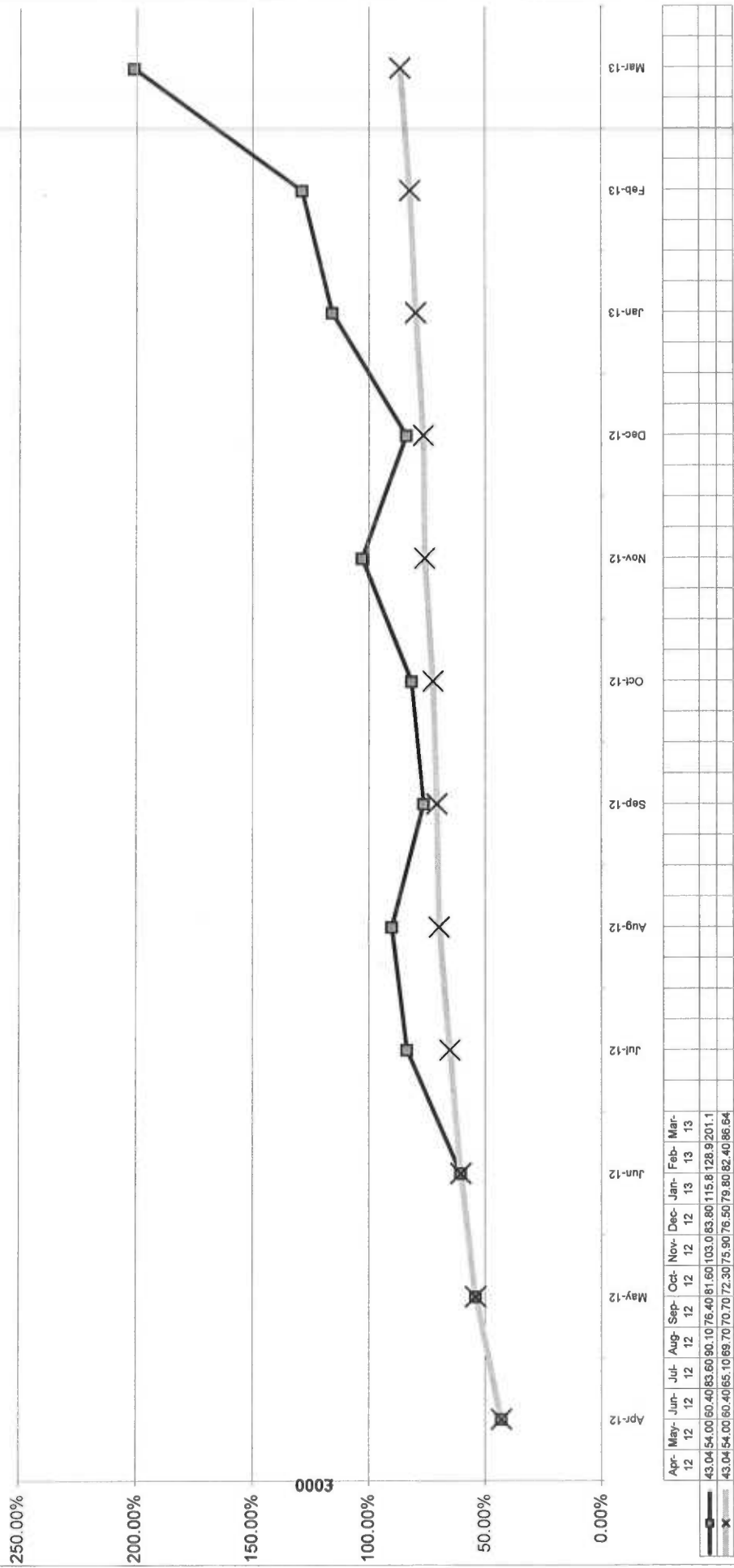


### Housing and Council Tax Benefit Stage 2 Complaints from April 2011



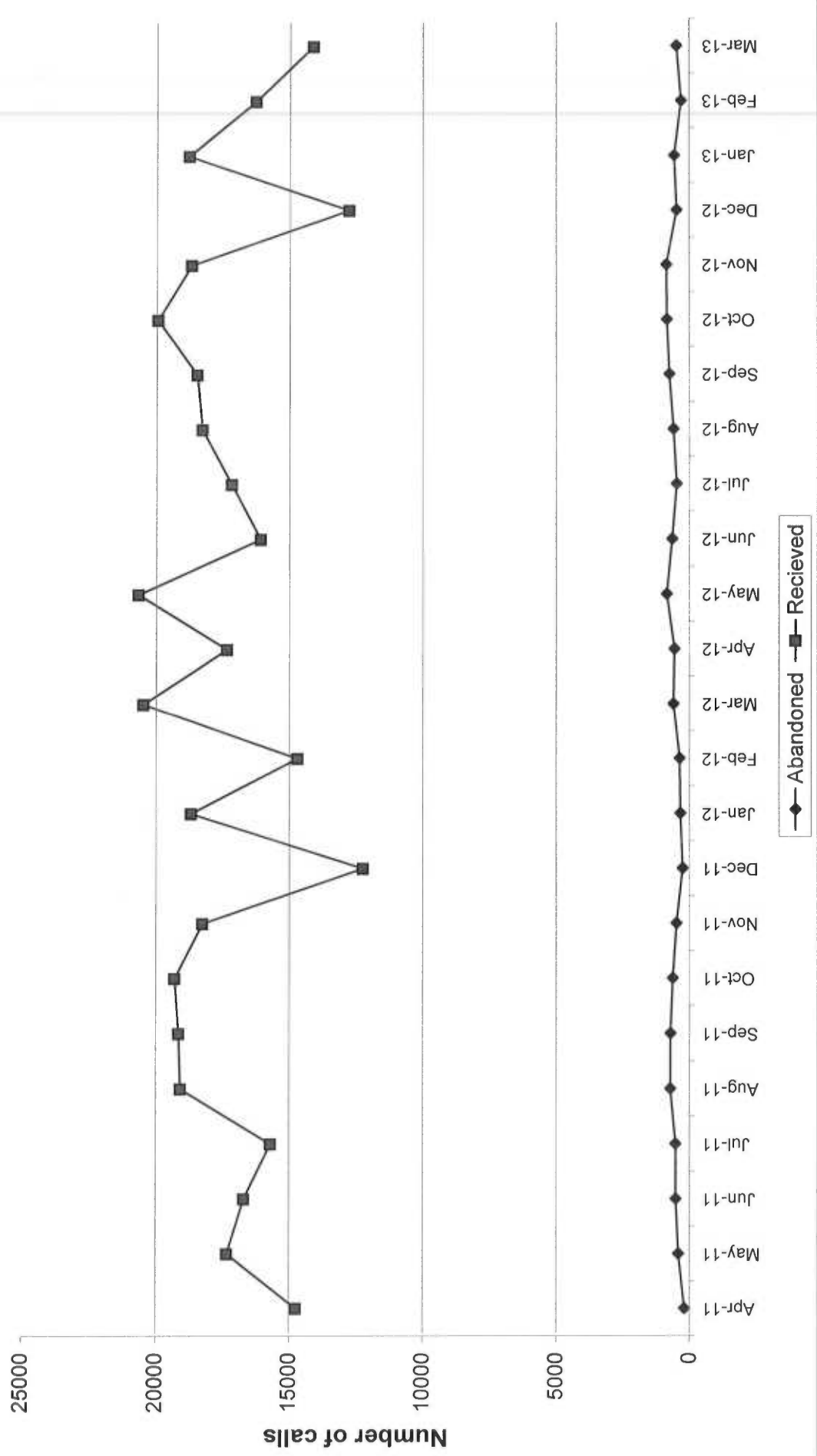


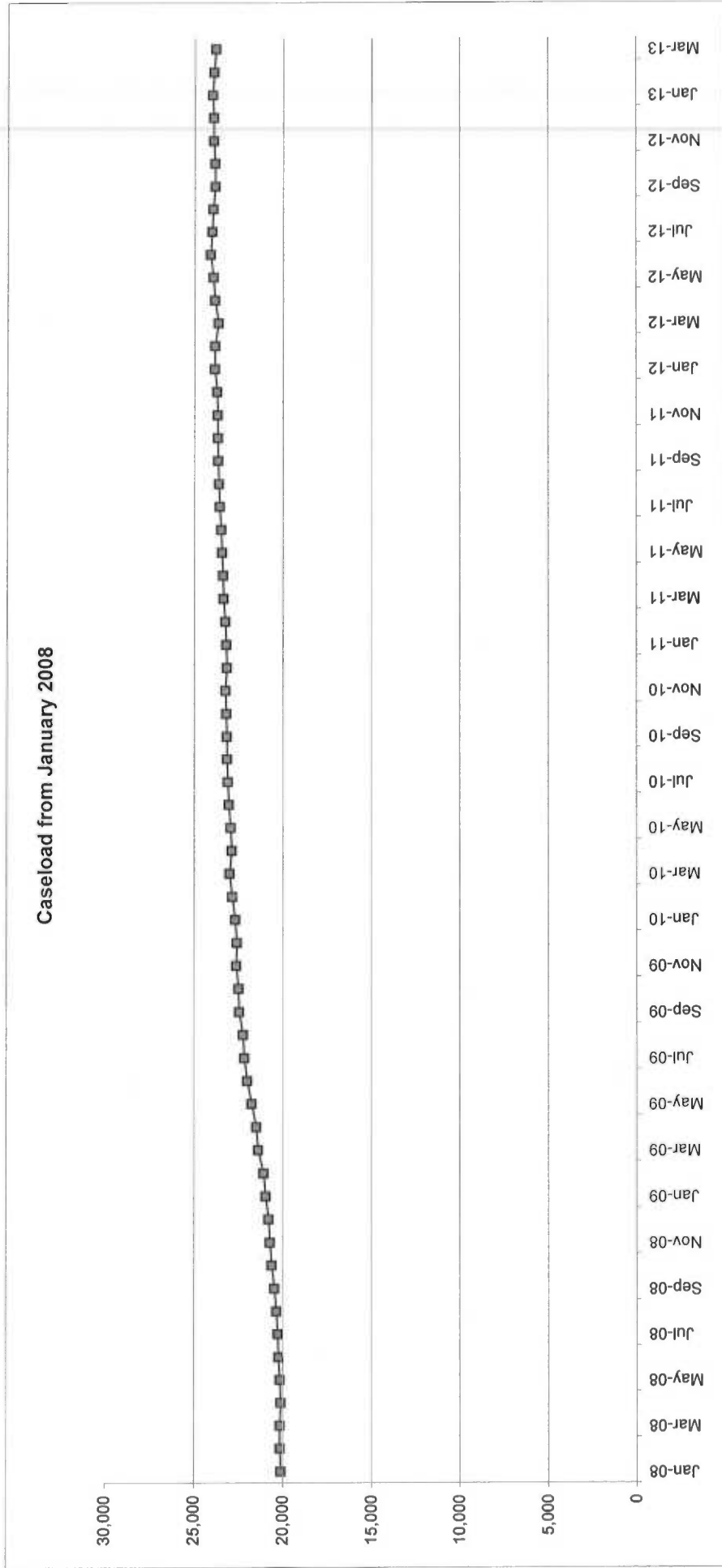
Overpayment % recovered against that created From April 2012



Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
43.04	54.00	60.40	65.10	69.70	70.72	72.30	75.90	76.50	79.80	82.40	86.64
43.04	54.00	60.40	65.10	69.70	70.72	72.30	75.90	76.50	79.80	82.40	86.64

Calls Received and Abandoned by Month from April 2011







# Welfare Reform

June 2013

Appendix 9



## Social Rent Restrictions

- Effective from 01 April 2013
- Applies to working-age households only
- Estimates that it will affect 650,000 households nationally (Bromley – approx 1,800 households)
- 14% reduction where under occupy by 1 bedroom
- 25% reduction where under occupy by 2 bedrooms or more
- Average loss to affected families in Bromley - £20.67pw
- There are currently outstanding judicial reviews in respect of this legislation

## Social Rent Restrictions (2)

Size Criteria – social sector

A bedroom is allocated for each of the following:

Each Single tenant, lone parent or couple

Each other person aged 16+

Two children under 16 of the same sex

Two children under 10 of the same or opposite sex

Any other child

An overnight carer if appropriate

- Note an extra bedroom is allowed for approved foster carers
- Households whose children are unable to share a bedroom because of a severe disability are assessed as requiring an additional room



## **Welfare Benefit Cap**

- Welfare Benefit Cap of £500 for couples/one parents or £350 for single claimants
- Until the introduction of Universal Credit only HB will be restricted
- Applies to working age claimants only
- Introduced in Bromley, Croydon, Enfield & Haringey from 15/4/13
- National roll-out commences 15/7/13

## Welfare Benefit Cap (2)

- Exempt Groups
- Where claimant/partner are in receipt of War Widows/Widowers Pension/Armed Forces Compensation Payments/War Disablement Pension
- Households in receipt of Working Tax Credit or working sufficient hours to claim WTC but whose income from earnings is too high
- Where the claimant/partner or child receives Disability Living Allowance (DLA)/Personal Independence Payment (PIP)/Attendance Allowance/Constant Attendance Allowance/Industrial Injuries Benefits
- ESA recipients within the Support Group
- 9 month grace period where previously paid NI for 12 month period and lost job “through no fault of their own”





## **Welfare Benefit Cap (3)**

List of Benefits included in the calculation

- Bereavement Allowance / Widowed Parent's / Mother's Allowance
- Carers / Guardians Allowance
- Child Benefit & Child Tax Credit
- Employment & Support Allowance (Work Related Group)
- Housing Benefit
- Incapacity Benefit
- Income Support
- Job Seekers Allowance
- Maternity Allowance
- Severe Disability Allowance
- Widows Pension



## Bromley Welfare Fund

- DWP's Community Care Grants & Crisis Loans for general living expenses abolished from 01/04/13
- Replaced by a new scheme of Local Welfare Provision administered by Local Authorities
- Local Authorities able to devise own scheme – Bromley's known as the Bromley Welfare Fund
- Programme funding provided by the DWP for 2 years – annual sum £819,535 (not ring-fenced)
- Limited figures available on expenditure in previous years. However, £431,300 spent in first 6 months of 2011/12



## Bromley Welfare Fund (2)

- In the first instance, scheme similar to that previously administered by DWP
- Scheme contracted-out to Northgate in conjunction with The Family Fund (registered charity)
- Wherever possible payment will be made by purchasing card limiting the recipient to the item for which the award was made
- Award will take the form of a grant rather than a loan
- Application will be on-line or by a freephone helpline



## Localised Council Tax Support

- Council Tax Benefit (CTB) abolished from 01/04/13
- Replaced by Local Support for Council Tax – discount not benefit
- Funding received by Local Authorities for 2013/14 a maximum of 90% of that received in 2011/12 by way of subsidy
- Scheme to be devised and adopted by individual billing authorities
- Pensioners to be no worse off than they would have been under the CTB scheme
- External reviews considered by the Valuation Tribunal rather than the HM Courts & Tribunal Service



## Localised Council Tax Support (2)

Bromley Scheme – adopted 21/11/13

2013/14

- All working-age claimants to contribute a minimum of 8.5% towards their Council Tax liability
- Discretionary Fund of £100k setup to assist those in exceptional need
- One-off additional Government funding of £352k obtained (not including GLA element)

2014/15

- All working-age claimants to contribute a minimum of 19% towards their Council Tax liability



## Universal Credit

- “A single online system of means-tested support for working-age people who are in or out of work”
- Universal Credit (UC) combines JSA(I), ESA(I), Income Support, Working Tax Credits, Child Tax Credits and HB into one payment
- Phased introduction from October 2013 to 2017
- Administered by the DWP
- System will be digital by default
- Provision of face-to-face service currently being reviewed

## Universal Credit (2)

- Level of entitlement will be based on Real Time Information
- Universal Credit will be paid monthly in arrears
- Payment will be for the household and in the vast majority of cases include housing costs
- Payment of housing costs direct to landlords will be the exception with DWP deciding when this will occur
- Rules designed to ensure that work pays. Financial Support reduced at a consistent and predictable rate with people generally keeping a higher proportion of any increase in earnings



## Modified Pension Credit

- Support for eligible rent for customers over Pension Credit age to be provided by a new Pension Credit component called Housing Credit
- A new additional amount will be included in the Guarantee Credit element for dependent children
- Phased implementation between October 2014 and October 2017



## **Personal Independence Payment**

- Personal Independence Payment (PIP) replaces Disability Living Allowance (DLA) for working-age claimants
- DLA will continue for children until they are 16 and remains for people aged 65 and over
- PIP will be phased in between 8/4/13 and 31/3/16
- To make a new claim, individuals must have needed help for at least 3 months and likely to need it for at least another 9 months
- PIP is non-means tested, non taxable
- DLA claimants once selected for reassessment will be asked to claim PIP
- Where claim entered DLA will continue until PIP decision made
- If claim for PIP not entered, DLA claim will end

## **Personal Independence Payment (2)**

- Pip made up of 2 components – daily living and mobility
- Each can be paid at standard or enhanced rate
- Individuals will receive a point score based on how well they can perform an activity (examples – dressing and preparing food)
- PIP based on how claimants condition affects them not on what condition they have
- Most people will have face-to-face consultation with health professional as part of the process
- Home visits will be available where necessary



## Discretionary Housing Payments

- Bromley DHP allocation £700,174 for 13/14 (£226,883 12/13)
- Can no longer be used towards Council Tax
- Revised policy to be forwarded for Members approval in July
- Conditionality to be built into granting of some awards
- Increased number of requests for ongoing awards
- Reduced Government funding in future years

## **Bromley's Discretionary Housing Payments Policy (effective April 2013)**

### **Introduction**

Discretionary Housing Payments (DHP's) are administered by the Council and provide financial assistance to help tenants meet their housing costs.

DHP's may cover all or part of a shortfall in a tenant's eligible rent or provide the rent-in-advance and damage deposit a tenant may need in order to secure a tenancy. DHP's may be awarded as a one-off payment and/or a series of payments.

To qualify for a DHP, the claimant must have a rental liability, require further financial assistance with their housing costs and have been receiving Housing Benefit or Universal Credit throughout the period for which they are claiming assistance.

### **Bromley's DHP scheme**

Welfare Reform is aimed at encouraging people to move into work, increase their hours and/or move to more affordable accommodation.

Although it is hoped that many people will be able to address and resolve their difficulties without the need for a DHP, the Council recognises that DHP's have an important role to play in providing tenants with short term assistance to ease transitions and allow time to find a way to resolve their difficulties.

The overriding principles of Bromley's DHP scheme are as follows:

- All claimants will be treated fairly;
- All DHP applications will be assessed on their individual merits;
- All of the options available to the claimant (for example, reducing household expenditure, maximising income and/or moving to cheaper alternative accommodation) will be taken into account when reaching a decision on the application

### **Examples of the shortfalls that DHP's may cover**

The council is not required to spend its overall grant allocation in any particular way. It is a matter for its discretion.

The types of shortfall that a DHP may cover include the following:

- Reduction in Housing Benefit/Universal Credit resulting from the Benefit Cap;
- Reduction in Housing Benefit/Universal Credit resulting from the under-occupation of social rented housing;
- Reductions in Housing Benefit or Universal Credit resulting from Local Housing Allowance restrictions, including the Shared Accommodation Rate;

- Reductions in Housing Benefit or Universal Credit resulting from non-dependant deductions and the use of income tapers

### **What DHP's cannot cover?**

For the purposes of a DHP, the following elements/costs cannot be covered

- Ineligible service charges
- Increases in rent that are due to outstanding rent arrears
- Certain sanctions and reductions in Benefit
- Assistance with Council Tax (from April 2013)

### **Objectives of this DHP policy**

The Council will consider making a DHP award to applicants who meet the qualifying criteria. Assessing all applications on their individual merits, it will consider the extent to which the financial assistance requested will meet the objectives that include:

- Sustaining tenancies and preventing homelessness
- Keeping families together
- Supporting the vulnerable and elderly in the local community;
- Helping people who are trying to help themselves
- Encouraging and sustaining people in employment

### **Support for households affected by welfare reform**

DHP's are not generally intended to be used as a long term solution to the claimant's financial difficulties. Instead, used to provide short term assistance to ease transition and allow households time to find a way of resolving their difficulties.

All applications will be assessed on their individual merits. However, when considering applications, the Council will take into account not just the cash limitations of what remains in the DHP budget but also the extent to which a DHP can overcome temporary difficulties and, if possible, enable them to secure paid employment and/or move to alternative accommodation that they can afford

The expectation is that DHP's will be awarded where the additional assistance will have a significant effect in reducing the risk of homelessness, alleviating hardship and/or assisting with difficulties in a claimants transition back to work.

At the discretion of the Council, conditions may be attached to a DHP award, requiring action from the claimant (for example attendance on an employment programme) and/or to encourage a behaviour change. The aim of these conditions will be to seek early resolution/improvement of the households financial position.

Failure to comply with these conditions may affect the outcome of any future DHP application that the claimant decides to make.

### **Households affected by the Benefit Cap**

Although the Council will assess all DHP applications on their own merit, given the limited budget available priority will be given to the following groups

- Homeless households that are residing in temporary accommodation (provided by, or on behalf of LBB) and have been assessed by the Council as being vulnerable;
- Households that need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection) and the provision of short-term financial assistance will contribute to the achievement of one or more of the Council's DHP policy objectives;
- Households that need to move to alternative, lower cost accommodation but are working proactively to resolve their situation and the short-term award of a DHP will in the Authority's opinion prevent the household from becoming homeless or delay homelessness for long enough to enable them to complete a planned move to more affordable accommodation; and
- Households that are working proactively with Job Centre Plus, LBB and/or advice providers to secure paid employment, claim Working Tax Credit and become exempt from the Benefit Cap.

### **Households affected by the Social Rented Sector Size Criteria**

Although the Council will assess each DHP application on its individual merits, priority will be given to households where one or more of the following bullet points apply.

- Households that contain a person with a disability and are living in "significantly adapted" accommodation;
- Households that contain someone with a severe and persisting disability which means that they are dependent on the care and support of relatives and friends who are living in the local community and there is no suitable accommodation available, within the local area, to which they are able to transfer.
- Households whose Housing Benefit is restricted by the size criteria but that restriction will soon be lifted as a result of the claimant/partner will reach Pension Credit age, or children reaching the age where they are no longer expected to share a bedroom
- Households where the claimant/partner is expecting a baby meaning that when born the size restriction will not apply.

### **Other households requesting a DHP**

All DHP applications will be considered on their individual merits. However, the Council will give priority to applications from households for whom the Council will have a housing duty if they become homeless and households that have children and need to move to alternative, lower cost accommodation but are unable to do so immediately (for reasons of health, education or child protection)

### **Rent-in-advance, damage deposits and removals**

The DHP budget is insufficient to meet the rent shortfalls of the many tenants who will be applying for assistance. In order to provide long term solutions, the Council

will help and encourage tenants to move to alternative accommodation they can afford.

Instead of providing tenants with short term assistance to enable them to maintain the rent payments on a home they will not be able to afford without a DHP, the Council may decide that it would be better to assist tenants move to somewhere they can afford. For this reason, the Council may consider making an award to cover/assist with rent in advance and/or removal costs. Before any award is made for this purpose all other funding sources (inside and outside of the Authority) will be explored.

### **Assessment of applications**

When deciding whether or not to award a DHP, the Council will assess each application on its merits and taking into account its objectives and such things as:

- The size of any shortfall that exists between when the claimant is receiving in housing costs (from HB or Universal credit) and their eligible housing costs, together with the reason for the shortfall;
- The financial circumstances of the household members
- Any special needs or health and social problems that the claimant and/or their family have, and what impact these have on their housing and financial situation;
- The reason why compared to other people, the circumstances of the claimant and their family should be considered “exceptional”
- The impact that not awarding a DHP is likely to have on the Council’s finances and services, especially homelessness, social care, family support and health;
- Any steps the claimant has taken to reduce his/her rental liability
- The length of time for which a DHP is being sought
- The amount remaining in the DHP budget
- The impact that moving home and/or changing schools is likely to have on the household members
- Any other factors that the Council and/or claimant consider appropriate.

When the Council has considered the claimant’s needs and circumstances, it will decide how much to award. This may be any amount below the difference between the rental liability and the housing costs received by way of Housing Benefit or Universal Credit.

The award of a DHP does not guarantee that a further award will be made at a later date, even if the claimants circumstances remain unchanged.

### **Claiming a DHP**

In most cases, the person who claims a DHP will be the person who is receiving Housing Benefit/Universal Credit, or their partner. However, the Council may also accept a claim from someone who is acting on behalf of that person if the person is vulnerable and requires support.

The Council accepts DHP claims in writing and provide an application form for that purpose; however a letter or email will also be accepted as a claim.

If the Council requires additional information and evidence to assess the claim, it will request this from the claimant in writing, electronically or verbally. The claimant must supply this information within one month of the date requested. If the claimant fails to provide the requested information on time, the Council will make a decision based on the information it already holds. More time may be allowed for some claimants if the Council thinks it reasonable to do so.

### **Making a claim in advance**

A DHP can only be considered for a period when the claimant is entitled to Housing Benefit / Universal Credit. However, claims may be made in advance where the claimant is anticipating a change in their situation, such as the introduction of the Benefit Cap.

### **Notification of decisions**

The claimant (and the landlord if the payment is direct to them) will be notified in writing, of the DHP claim.

If the claim is unsuccessful, the Council's decision letter will explain the reason for the decision and details of the right of review.

If the claim is successful, the decision letter will include the following:

- The amount awarded
- The period of the award
- To whom the DHP will be paid; and
- The claimant's duty to report any changes in circumstances

### **Change in Circumstances**

The claimant must tell the Council if their circumstances change after an application for a DHP is entered, This is made clear to claimants in the application form and decision letter. The Council may revise a DHP award if the claimants circumstances have changed.

### **Payment arrangements**

The Council will decide whether the DHP should be paid to the tenant, landlord or a third-party.

### **Right to request a review**

DHP's are not subject to the appeals mechanisms in place for Housing Benefit or Universal Credit.

Claimants can request a review on a decision not to make an award, the level of the award, the period of the award or a decision to seek recovery of an award.



The request for a review must be entered in writing and received within one calendar month of the notification being entered. This time limit can be extended if the Council considers it reasonable to do so.

The review request together with all documents related to the DHP application will be considered by officers not involved in the original decision. This decision will be final. In cases of alleged maladministration, the claimant should follow the Council's complaints procedure. If a claimant is still unhappy, they have a right to contact the Local Government Ombudsman.

### **Overpayments**

The Council will make every effort to minimise overpayments of DHP.

If an overpayment does occur, the Council will decide whether or not it is appropriate to recover it. If recovery action is appropriate, the Council will send an invoice to the Claimant (or the person to whom the DHP was made) and a written explanation of the overpayment together with the periods and amounts to which it relates.

### **Fraud**

The Council is committed to tackling and preventing fraud in all its forms.

If a claimant attempts to claim a DHP by making a false declaration or providing false evidence or statements, they may have committed an offence under the Theft Act 1968. Where the Council suspects that fraud may have occurred, it will investigate the matter as appropriate and this may lead to criminal proceedings.

### **Publicity**

The policy will be reviewed periodically and in light of any legislative changes, trends or other factors, ensuring that funds are targeted towards those in most need.

This policy will be made available and via the Council's website:  
**[www.bromley.gov.uk](http://www.bromley.gov.uk)**

H/B No:

## Claim form for a Discretionary Housing Payment

Please answer the following questions to explain why you need a discretionary housing payment to help pay your rent. It is important that you tell us as much as possible about your circumstances. Please send us any documents you have to support your answers.

### *Part 1: About You*

Your full name

Partners full name

<input type="text"/>	<input type="text"/>
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Your Address

<input type="text"/>
Post Code: <input type="text"/>

Your daytime telephone number

<input type="text"/>
----------------------

### *Part 2: About Your Home*

When did you move to your current home?

<input type="text"/>
----------------------

How did you find your home? (for example, letting agency or friend)

<input type="text"/>
----------------------

Please detail any enquiries you made with the Council as to the level of Housing Benefit you would receive, including the responses given.

<input type="text"/>
----------------------

**When moving to your current home how did you expect to pay your rent?**

**Please detail any reasons for needing to remain in the area you are currently living**

**If your home has been adapted to meet a disability need, please explain what changes have been made and confirm who funded and carried out this work.**

**Part 3: About reducing your housing costs and/or increasing your income**

**What steps have you taken to reduce your housing costs?**

**What steps have you taken to find cheaper and/or smaller accommodation?**

**What steps have you taken to obtain employment or increase the hours you work?**

**Please detail any requests to your landlord to reduce your rent**

***Part 4: About your rent***

**If in rent arrears, please advise as to the amount and the period these cover**

**If not in arrears, please explain how you have paid your rent so far?**

**Please advise of any recovery action taken by your landlord**

***Part 5: Other information***

**Please give details of any disabilities or health problems**

**Please explain what hardship you are suffering because of your shortfall**

**Please tell us anything else you think we should know to help us make a decision**

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### Declaration

Please read this declaration carefully.

- I declare that the information I/we have given on this form is correct and complete to the best of my/our knowledge
- I authorise the council to make any necessary enquiries to verify the information on this form
- I authorise the council to cross check the information I have given with other sections within the council, other councils and any other public bodies involved in the protection of public funds.
- I understand that I have a duty to give the council such information as it may require, to enable it to make a decision.
- I understand that if I give information that is incorrect or incomplete or fail to report any changes that might affect my discretionary housing payment I may be prosecuted.

Claimant signature

Date

--	--

Partners signature

Date

--	--

**If someone else has filled in this form on your behalf please ask them to sign and date the form below. If they work for an advice or support organisation please say which.**

Name

--

Signature

Date

--	--

***Please return the completed form to:***

***The Benefits Section***

***London Borough of Bromley***

***Civic Centre***

***Stockwell Close***

***Bromley***

***BR1 3UH***