

PART 1 - PUBLIC

Decision Maker: Executive & Resources PDS

Date: 8 July 2014

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

Title: **BENEFITS SERVICE MONITORING REPORT**

Contact Officer: John Nightingale, Head of Revenues and Benefits
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

Chief Officer: Peter Turner - Director of Finance

Ward: All

1. Reason for report

- 1.1 This report provides information regarding the performance of the benefit services provided by Liberata during the period 1 October 2013 to 6 April 2014. This being the year in which the bulk of the Government's major Welfare Reforms were introduced. These include the adoption of a local Council Tax Support scheme, the removal of the under occupancy subsidy, implementation of the Benefit Cap and the introduction of the Bromley Welfare Fund.
- 1.2 A letter from Amanda Inwood-Field, Liberata's Contract Director, is attached as Appendix 1. This communication provides Liberata's perspective on performance, together with an update on initiatives to be introduced in the coming months.

2. **RECOMMENDATION(S)**

- 2.1 **The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.**
- 2.2 **The Portfolio Holder agrees the undertaking of a consultation exercise to be based on the proposal made at 3.16. This involves seeking the views of both those receiving Council Tax Support and those who are not.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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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: £3.99m
 5. Source of funding: Government Grants and Subsidy
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Staff

1. Number of staff (current and additional): 4.5 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.

The main pieces of legislation covering these services are:

Housing Benefit Regulations 2006

The Council Tax Reduction Schemes Regulations 2012

Local Government Finance Act 2012

2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 23,200 households (approx).
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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

- 3.1 The Revenues and Benefits Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. Graphical illustrations as to the level of performance being achieved are attached as appendices to this report.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. Regular meetings take place between senior managers in both organisations to discuss escalated items, technological advances and further development opportunities.

Outstanding Work

- 3.3 The amount of outstanding work stood at 7255 items as at the end of March 2014. This includes 2142 items where the Benefits Section has written requesting information and a response is awaited.
- 3.4 The specification included in the 2011 contract with Liberata required that the level of outstanding items should not exceed 4000. However, it is acknowledged that there is a large increase in the amount of incoming work at the time of change in the financial year. In addition, as advised in previous reports, DWP's implementation of the Atlas computer system has resulted in all Authority's experiencing a large increase in incoming work, an issue experienced by all Authorities.
- 3.5 The contributory factors entered in paragraph 3.6 do not fully justify the figures being at the reported level. This has been accepted by Liberata who have provided a plan detailing how the outstanding work level will be reduced. A verbal update on progress will be provided at the meeting.

The level of outstanding work since April 2012 is illustrated in Appendix 2.

Claim Processing

- 3.6 The speed of processing indicator is a combination of the time taken to assess new claims and change of circumstances. Whilst the processing time shows an improvement on the previous year, Bromley Officers will be working with Liberata to explore ways this can be brought within target during the year.

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

April 13	May 13	June 13	July 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
17.75	16.83	14.37	13.94	14.40	16.93	16.53	16.11	23.11	18.26	19.13	5.28

Average 2013/14 13.6 days

Average 2012/13 15.5 days

Performance under the Right Time Indicator is illustrated in Appendix 3

Error Rate

- 3.7 The Exchequer Services specification requires the contractor to ensure that financial errors are found in less than 5% of the cases checked by the Authority's monitoring team. This target is strict compared to many other authorities, but was set in the knowledge that errors result in poor customer service and waste of resources through reworking.

3.8 Whilst it is acknowledged that automation of the more routine tasks has resulted in the Authority's checking being of the more complex cases, the error levels tabled below are unacceptable. This issue has been escalated to Liberata's Chief Executive, who has attended a meeting with the Portfolio Holder and senior council officers. A recovery plan has been provided to council officers and a verbal update on progress will be provided at the meeting.

April 13	May 13	June 13	July 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14
%	%	%	%	%	%	%	%	%	%	%	%
5.16	5.04	5.42	6.31	1.94	6.73	8.00	9.52	10.14	10.24	9.16	9.57

A graphical illustration of the table is attached in Appendix 4.

Complaints

3.9 The number of justified complaints is a good illustration of the service provided. Given the major changes to the benefit system that have occurred over the past 12 months, with many experiencing a reduction in entitlement, it is not surprising that the number of complaints received has increased. In future reports we will report on the number of justified complaints, rather than the amount received.

A graph showing the number of complaints received are attached in Appendix 5.

Housing Benefit Overpayments

3.10 Unlike Council Tax and Business Rates collection that have proven methods of recovery, supported by case law and statutory regulations, housing benefit overpayments are difficult to collect. Payment of Housing Benefit will always include an element of overpayment for various reasons, for example the customer not informing us of a change 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, the target for overpayment recovery increased to 83% in 2013/14 from 82% in the previous year. The actual figure achieved was 86.96%

Appendix 6 shows the monthly recovery rates since April 2012.

Call Centre (Help line)

3.11 The graph at Appendix 7 details the performance of the Call centre from April 2012

The abandonment rate for the period October 13 to March 14 was 8.18%; however this figure is distorted by the technical problems experienced in the final month of the reporting period where the rate spiked at 21%. The total number of calls answered in the six months was 130,632.

Because of the high call volumes experienced following the issue of council demands for the new financial year, the call centre opening hours were extended for a period to reduce wait times.

Caseload

- 3.12 A graph showing the number of claims in payment is attached in Appendix 8. This illustrates that there has been a significant increase in the overall caseload since Liberata became responsible for the service. However, the number of claims has reduced by 1.28% in the last financial year, with 23,195 being in payment at the end of March.

Discretionary Housing Payments (DHP's)

- 3.13 The July 2013 meeting of the E&R PDS approved the Authority's DHP policy together with the application form for requesting assistance. In the financial year 2013/14, DHP's were made to 1,183 households granting awards to the value of £707,425. This figure was just above the Government contribution of £700,174.

The section intends to retain the policy agreed last year; however in light of the Governments reduced funding for 2014/15 (£683,179), the section will attempt to reduce the level of awards.

Council Tax Support (CTS)

- 3.14 The Council Tax scheme agreed at Full Council in January 2013 was for the periods 2013/14 and 2014/15. Before a scheme can be adopted in respect of 2015/16 and beyond, a further consultation exercise will need to be undertaken. The scheme for the coming year will need to be adopted at a meeting of the full council by the 31 January 2015.
- 3.15 The scheme currently operational (2014/15) calculates working age claimants entitlement based on 81 % of their Council Tax liability. In 2013/14 the scheme was based on 91.5% of Council Tax liability being eligible for assistance.
- 3.16 Officers seek Members views on the proposal that the recommendation entered into the planned consultation exercise be that the entitlement continues to be based on 81% of Council Tax liability.

Non-Applicable Sections:	[Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	