

PART 1 - PUBLIC

Decision Maker: Executive & Resources PDS

Date: 4 February 2015

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

Title: BENEFITS SERVICE MONITORING REPORT

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Chief Officer: Peter Turner, Director of Finance

Ward: All

1. Reason for report

- 1.1 This report provides information regarding the performance of the benefits service provided by Liberata during the period 1 April 2014 to 31 December 2014. A letter from Charlie Bruin Executive Director, BPO Services is attached as **Appendix 1**. This communication provides Liberata's perspective on performance, together with an update on initiatives to be introduced in 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.

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: 400003
 4. Total current budget for this head: £3.4m
 5. Source of funding: government Grants and Subsidy
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Staff

1. Number of staff (current and additional): 4 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): 22,500 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, technology advances and further development opportunities.

Outstanding Work

- 3.3 The amount of outstanding work stood at 3730 items as at the end of December 2014. This includes 1798 items where the Benefits Section has written requesting information and a response is awaited. In addition there are 795 advanced notifications of Pension Credit uprating which cannot be actioned until the mass recalculation for 2015/16.
- 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 DWP's implementation of the Atlas computer system has resulted in all Authority's experiencing a large increase in incoming work.
- 3.5 The amount of outstanding work has significantly reduced since the time of the last report, with the level now representing the expected throughput of cases. However, when clearing the build-up of cases arising from the period where output targets had been reduced to concentrate on improving of accuracy, the average number of days to process claims increased. Weekly meetings with senior managers in Bromley and Liberata review progress in reducing the number of days to process claims.

The level of outstanding work since April 2013 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.

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

	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Total
Profiled Target	17.7	17.5	17.6	17.6	17.6	17.6	17.6	17.6	17.6	17.6	5.2	12.2	13
Actual	14.82	18.56	22.57	22.05	20.34	22.11	22.33	25.2	19.24				

Average 2013/14 13.6 days

- 3.7 Performance under the Right Time Indicator is illustrated as **Appendix 3**.

The performance in respect of speed of claim processing has been raised as an issue of great concern and escalated to Liberata's Chief Executive. Regular meetings have subsequently been held between the council officers and Liberata's senior managers during which performance against an agreed action plan has been monitored. The agreed plan involved the

timely processing of incoming work whilst having dedicated officers working to clear the documentation that had accumulated earlier in the financial year. Throughout the period of the plan, there was a provision in place whereby claimants subject to eviction proceedings were prioritised. The reduced level of performance in September, October and November was a result of clearing the remaining documents contained in the ring-fenced backlog. The ring-fenced documentation has now been fully cleared, with processing times in the next quarter expected to be in-line with the targets contained in the above table.

Error Rate

- 3.8 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. the level of tolerance for errors 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.
- 3.9 As advised in the last report, the error rate had been a problem in the latter part of 2013/14 with concern being escalated to Liberata’s Chief Executive. As a result Liberata’s Executive Director, BPO Services, has been actively involved in overseeing corrective action and then ensuring sustainable improvements to the service are in place. I am pleased to advise that the accuracy levels have improved on that being attained in the latter part of the financial year; however, there have been 2 months when performance has been outside the tolerance provided in the specification.

April 14 %	May 14 %	June 14 %	July 14 %	Aug 14 %	Sept 14 %	Oct 14 %	Nov 14 %	Dec 14 %
4.35	4.2	4.07	3.04	3.57	6.25	4.81	9.09	

A graphical illustration of the table is attached as **Appendix 4**.

Complaints

- 3.10 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 therefore not surprising that the number of complaints received has increased.

A graph showing the number of stage 2 complaints received is attached as **Appendix 5**.

Housing Benefit Overpayment

- 3.11 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 2013.

Call Centre (Help line)

3.12 The graph at **Appendix 7** details the monthly performance of the Call centre over the past 9 months. The performance figures reflect that the section no longer undertakes call snatching which had the effect of missing waiting times and abandonment rates. Previously operatives took contact details for those waiting to get through, providing them a call back within the next 24 hours. Customer feedback provided a clear message that callers would prefer to wait longer if that resulted in them getting a comprehensive response during their initial contact.

Following the issue of the new financial years Council Tax demands and HB notifications, the level of demand is such that wait times and abandonment rates are higher than other times of the year.

Following the issue on the 2014/15 demands the call centre extended their opening hours till 8pm for a period of 4 weeks. This initiative proved successful and will be repeated following the issue of 2015/16 demands.

The recording of calls was introduced in October as well as being a valuable monitoring tool, this provides valuable evidence where there are disputes regarding the advice given.

Caseload

3.13 The graph showing the number of claims in payment is attached as **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 in payment at the 31/12/14 was 6.5% lower than in April 2012.

Discretionary Housing Payments (DHP's)

3.14 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 2014/15, the Authority was allocated Government funding of £683,179 towards DHP awards. Where this sum is not fully used, the remainder falls to be returned to the DWP. It is anticipated that the full Government contribution will be allocated. Details of funding available for 2015/16 is still awaited.

Council Tax Support (CTS)

3.15 The Council Tax scheme agreed at Full Council in January 2013 was for the periods 2013/14 and 2014/15. At the 8/12/14 meeting of the Full Council, Members agreed to retain the level of assistance currently provided for a further year. Therefore, the maximum level of assistance available for working-age claimants in 2015/16 is 81% of their liability.

Real Time Information

3.16 From September 2014 the benefit section commenced receiving Real Time Information from the HMRC. Real Time information is a data matching facility whereby records of income received by means of earnings and /or occupational pension are compared with that included in HB calculations.

As agreed nationally between the local authority associations and the Government department, the cases identified for revision of entitlement and investigation will be forwarded in equal number over a period of 6 months.

It was identified that Bromley had approximately 1,000 discrepancies. Authority's were given additional time to process the revised information prior to any delay resulting in an increased overpayment being deemed Local Authority Error overpayment. However, the time to process the change is still included in the processing times, with any delay inflating the processing time cited for the authority.

4. FINANCIAL IMPLICATIONS

4.1 Housing Benefit and Council Tax Support present a significant "business". The 2014/15 budget includes payments in excess of £127 million for Housing Benefit and £15 million for Council Tax Support. 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 receipt of reduced subsidy from Central Government;
- Potential increase in overpayments which may not be recoverable.

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