

**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Thursday 9 July 2015

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

**Title:** BENEFITS SERVICE MONITORING REPORT

**Contact Officer:** John Nightingale, Head of Revenues and Benefits  
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**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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1. Reason for report

This report provides information regarding the performance of the benefit service provided by Liberata during the period 1 October 2014 to 31 March 2015. 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.

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2. **RECOMMENDATION(S)**

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: 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 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 Scheme Regulations 2012

Local Government Finance Act 2012

2. Call-in: Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 22,200 household (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.

To maintain the drive for improved service performance, service review meetings are held with operational and senior Liberata management. Weekly meetings take place between senior managers in both organisations to discuss escalated items, technological advances and further development opportunities.

#### **Outstanding Work**

3.2 The amount of outstanding work stood at 5,885 items as at the end of March 2015. This includes 2,074 items where the Benefits Section has written requesting information and a response is awaited. Whilst this is an increase in the figure contained in our last report (February 15) there is increased levels of work that comes in at year-end. In the main these relate to annual uprating, rent increases and changes resultant of the revised Council Tax liability.

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 and commencement of "Real Time Information" has resulted in all Authority's experiencing a large increase in incoming work.

The level of outstanding work since April 2013 is illustrated at Appendix 2

#### **Claim Processing**

3.3 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:

April 14	May 14	June 14	July 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
14.82	18.56	22.57	22.05	20.34	22.11	22.33	25.2	19.24	18.27	4.73	3.97

**Average 2013/14 13.6 days**

**Average 2014/15 13.85 days**

Performance under the Right Time Indicator is illustrated as Appendix 3

In the last report we advised as to the disappointing performance in the first six months of the financial year and the steps being taken to reduce the level of outstanding work and improve processing times. The clearance of work did lead to inflated processing times in October and November, but since then performance times have improved greatly. The service has entered the financial year 2015/16 in a much stronger position.

#### **Error Rate**

3.4 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; with DWP statistics indicating that the average error rate nationally is in excess of this figure. However, the tolerance was set in the knowledge that errors result in poor customer service and waste of resources through reworking.

The contractor was outside the 5% tolerance level in 6 out of the 12 months in 2014/15. Concern had been raised about the error rate in a previous report, where poor performance in the latter part of 2013/14 had been escalated to Liberata’s Chief Executive. The accuracy level improved in the first part of 2014/15; however this improvement was not maintained in the latter part of the year. However, it should be noted that the annual error rate was just within the 5% tolerance, with the annual output being 4.99% (231 errors in 4627 checks). Whilst, not part of the reporting period I can advise that April 2015 (the latest month available) identified an error rate of 2.28%.

April 14	May 14	June 14	July 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
%	%	%	%	%	%	%	%	%	%	%	%
4.35	4.2	4.07	3.04	3.57	5.62	4.63	8.16	7.62	7.17	5.77	5.08

A graphical illustration of the table is attached as Appendix 4

### **Complaints**

- 3.5 The number of complaints received 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 since April 2013. However, many of these transpired to be appeals or discontent with the legislation.

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

### **Housing Benefit Overpayments**

- 3.6 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 was 83% for the financial year 2014/15. However, this target was made prior to the introduction of “Atlas” and “Real Time Information”. Both of these have had the effect of increasing the number of overpayments created. In respect of “Real Time Information” this commenced in September 2014 providing information on which to create overpayments from 2012. The in-year collection against all year debts was 75.95%.

Appendix 6 shows the monthly recovery rates since April 2013.

### **Call Centre (Help line)**

- 3.7 The graph at Appendix 7 details the performance of the Call centre from April 2014.

The abandonment rate for March 2015 was 9.2%; being higher as a result of the issue of Council Tax demands for 2015/16. The number of calls answered in March was 20,479 bringing the annual total to 198,502

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**

- 3.8 A 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 first became responsible for the service in 2002. However, in recent years the number of claims has reduced and stood at 22,180 in March 2015 whereas it was 23,856 in April 2012.

**Discretionary Housing Payments (DHP's)**

- 3.9 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, DHP's were made to 1,010 households granting awards to the value of £684,878. This figure is £1,699 above the Government contribution of £683,179.

The section intends to retain the policy agreed last year; however in light of the Governments reduced funding for 2015/16 (£563,127), the section will attempt to reduce the level of awards.

**Council Tax Support (CTS)**

- 3.10 The Council Tax Support scheme for 2014/15 was agreed at Full Council in December 2014. At the time of adoption officers were asked to investigate and report back on the financial saving to the Authority of increasing the minimum council liability for those of working-age. This would then be considered to determine the proposed scheme to be put forward as part of the consultation exercise for 2016/17. A separate report on this issue is being presented for consideration at the meeting of the July Executive.

<b>Non-Applicable Sections:</b>	Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	