

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

**Date:** Wednesday 6 January 2016

**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:** Director of Finance

**Ward:** (All Wards);

---

1. Reason for report

This report provides information regarding the performance of the benefits service provided by Liberata during the period 1 April 2015 to 30 Sep 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.

---

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:
- 

### 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: £4m
  5. Source of funding: Government Grants and Subsidy
- 

### Staff

1. Number of staff (current and additional): 4 plus Liberata staff
  2. If from existing staff resources, number of staff hours: N/A
- 

### 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: Applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 21,700 (approx)
- 

### 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.

#### 3.2 Outstanding Work

The amount of outstanding work stood at 6459 items as at the end of September 2015. This included 2303 items where the Benefits Section has written requesting information and a response is awaited.

The specification included in the 2011 contract with Liberata required that the level of outstanding items should not exceed 2000 or 3000 including cases where we are awaiting further information. This figure was based on the number of documents being received over a period of two weeks. As reported previously, implementation of Atlas and Real Time Information has significantly increased the number of documents received by the benefits section. For example, 2188 Atlas cases have been received in the last 2 weeks. The Monitoring Section is therefore undertaking a review as to the number of documents outstanding that would represent the level of service required under the original specification. This is not easy to ascertain given the wide variations in the amount of incoming post and the requirement to request additional information on a significant proportion of the Atlas cases.

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

#### 3.3 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 target of 13 days:

April 15	May 15	June 15	July 15	Aug 15	Sep 15
11.12	7.91	13.30	10.83	12.36	11.34

**Average 2014/15 13.85 days**

**Average 2015/16 (as at 30/9/15) 11.14 days**

Performance under the Right Time Indicator is illustrated as Appendix 3

The average processing days covers a wide variance amongst claims. Appendices 4A and 4B show the "spread" of claims making up that average for new claims and change in circumstances.

### 3.4 **Error Rate**

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 months in 2014/15 and as previously stated the issue was the subject of escalation. Performance is much improved in this reporting period. Monthly performance figures are provided below.

April 15	May 15	June 15	July 15	Aug 15	Sep 15
%	%	%	%	%	%
2.3	3.0	5.4	4.5	1.6	1.19

A graphical illustration of the table is attached as Appendix 5.

### 3.5 **Complaints**

Considerable changes have occurred in both Housing Benefit legislation and Council Tax Support since April 2013, with many experiencing a reduction in entitlement. In many cases this has led to a complaint and/or an appeal as a result of the claimant not comprehending the revised entitlement as a result of changes to the scheme. However, the number of "Stage 2" complaints remains a good indication as to the service being provided given that the Benefits Section has previously been given the opportunity to address the customers area of discontent.

A graph showing the number of Stage 2 complaints received is attached as Appendix 6

### 3.6 **Housing Benefit Overpayments**

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 2015/16 target for overpayment recovery is 83%. However, this target was made prior to the introduction of "Atlas" and "Real Time Information". Both of these have had the effect of significantly increasing the number and value of overpayments created. In respect of "Real Time Information" this commenced in September 2014 and brought about a sharp increase in the level of debt created, leading to an overall reduction in the percentage recovered compared to previous years. This pattern has been experienced and widely publicised by many London Authority's and one would expect Councils all over the country.

Appendix 7 shows the monthly recovery rates since September 2013. It should be noted, that the Authority's officers are currently in discussion with Liberata with regard to revising

the specification and associate penalty/incentive regime. The intention is for overpayment created following receipt of Real Time Information to be accounted for separately to those resultant of other sources.

### 3.7 **Call Centre (Help Line)**

The graph at Appendix 8 details the performance of the Call Centre from September 2013.

The abandonment rate for September 2015 was 21%. Welfare Reform funding ceased at the beginning of the financial year, leading to the release of additional customer service staff appointed to assist with the extra workload. The reduction in staffing levels had a greater effect than was envisaged and additional resources have now been employed. The additional operatives are currently completing training and are expected to bring the service back to previous levels.

### 3.8 **Caseload**

A graph showing the number of claims in payment is attached as Appendix 9. 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 21,564 in September 2015 whereas it was 23,580 in September 2013.

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

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 Government funding for 2015/16 has reduced to £563,127. The section intends to retain the policy previously agreed; however, in light of the Governments reduced funding for 2015/16 (£563,127), the level of certain awards will need to be restricted.

### 3.10 **Council Tax Support (CTS)**

The Council Tax Support scheme for 2015/16 was agreed at Full Council in December 2014, this retained the maximum level of CTS for working-age claimants at 81%.

Following a public consultation exercise, Full Council adopted the 2016/17 scheme on the 14<sup>th</sup> December 2015. The 2016/17 scheme reduces the maximum level of assistance available to a claimant of working-age to 75%.

### 3.11 **Universal Credit**

Universal Credit will start to be rolled-out in Bromley on 18<sup>th</sup> January 2016 but will only be for new claims from some single people, who would otherwise have been eligible for Jobseeker's Allowance, including those with existing Housing Benefit and Working Tax Credit claims. Those who are not eligible for Universal Credit will continue claiming existing benefits in the same way as before.

Universal Credit is a welfare benefit launched in the United Kingdom in 2013 to replace six means-tested benefits and tax credits: Jobseeker's Allowance, Housing Benefit,

Working Tax Credit, Child Tax Credit, Employment and Support Allowance and Income Support

The DWP and Bromley are negotiating a Partnership Agreement under which Bromley will provide support to claimants who need assistance with the online application and/or help with personal budgeting. The intention is for Bromley to work with its existing partners to ensure that the assistance is available, the libraries will be a key to provide the access to computers but this will also be available at the Jobcentre in Bromley.

The DWP has provided estimates of clients needing support based on their experience in other areas and for Bromley their estimate is that in the region of 10 to 15 claimants needing support per month.

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