

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 July 2016

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: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides information regarding the performance of the benefit services provided by Liberata during the period 1 Oct 2015 to 31 Mar 2016. 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 approve that it be recommended in the consultation exercise for the Authority's 2017/18 Council Tax Support/Reduction Scheme that the scheme remain the same as that currently in place.

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: £3.9m
 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

2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 21,300 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, 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

- 3.3 The amount of outstanding work stood at 6188 items as at the end of March 2016. This included 1717 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 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, this figure is currently being reviewed due to the implementation of Atlas and Real Time Information significantly increasing the number of documents received by the Benefits section. The outstanding work target will be calculated once the impact of “optional Real Time Information” is known,
- 3.5 The level of outstanding work since April 2014 is illustrated at 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 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
11.12	7.91	13.30	10.83	12.36	11.34	11.69	15.32	14.10	14.15	7.08	3.02

Average 2014/15 13.85 days

Average 2015/16 11.40 days

Performance under the Right Time Indicator is illustrated as Appendix 3

The average processing days covers a wide variance amongst claims. Appendices 4a & 4b shows the “spread” of claims that make up the average for both new claims and change in circumstances.

Attached as Appendices 5a & 5b are the latest benchmarking figures released by the DWP in respect of new claims and change of circumstances processing. The tables/graphs show performance up until the 31/12/15, the latest date to which information is available

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. 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.
- 3.8 The contractor was outside the 5% tolerance level in 6 months in just one month 2015/16 with performance over the year being well within the required standard.

April 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
%	%	%	%	%	%	%	%	%	%	%	%
2.3	3.0	7.0	4.5	1.6	1.19	1.10	2.31	4.76	0.69	2.11	1.6

A graphical illustration of the table is attached as Appendix 6.

Complaints

- 3.9 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 is 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 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 7.

Housing Benefit Overpayments

- 3.10 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.

Earlier this calendar year the DWP announced that they were intending to commence the forwarding of "optional RTI" files to LA's. There is no obligation on the receiving Authority to action these files; however failure to do so would result in claimants receiving the incorrect level of Housing Benefit and Council Tax Support. The "optional RTI" files are due to be received from June/July 2016 and are estimated to be 3 times in number compared to the "standard RTI". Given the large increase in the number and value of HB overpayments these

initiatives created, the Executive agreed on the 18th May 2016 to suspend the incentive & penalty regime included in the Exchequer Services specification. Appendix 8 shows the monthly recovery rates since April 2014.

Call Centre (Help-Line)

3.11 The graph at Appendix 9 details the performance of the Call centre from April 2014.

The abandonment rate for March 2016 was 3.6%. Whilst it is always the intention that 100% of calls are answered, the achieved level of performance is good in the light of Council Tax demands for 2016/17 just being issued.

Caseload

3.12 A graph showing the number of claims in payment is attached as Appendix 10. 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 21,324 on the 31 March 2016 whereas it was 23,856 in April 2012.

Discretionary Housing Payments (DHP)

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 2015/16, DHP's were made to 689 households granting awards to the value of £509,475. This figure is £69 above the Government contribution of £509,406..

The Government funding for 2016/17 has increased to £617,897. The section intends to retain the policy previously agreed; however is aware that there is likely to be a greater demand for assistance, particularly in light of the increases rental levels in the private sector.

Council Tax Support/Reduction (CTS)

3.14 The Council Tax scheme for 2015/16 was agreed at Full Council in December 2014, this retained the maximum level of CTS payable for working-age claimants at 81%. Following a public consultation exercise, Full Council adopted the 2016/17 scheme on the 14th December 2015. The 2016/17 scheme reduced the maximum level of assistance available to a claimant of working-age to 75%.

The Authority is required to undertake an annual public consultation exercise to seek resident's views on the scheme to be operated in the following financial year. It is recommended that the Authority commences a consultation exercise in August based on the scheme for 2017/18 being the same as for the current year.

Universal Credit (UC)

3.15 UC for single claimants was introduced in Bromley on the 18/01/16. At present this had little impact on the Benefits Section as the majority of recipients have been non-householders, with no rental or Council Tax liability. In the period up until the 31/3/16 the Benefit Section were required to cancel 10 claims as a result of UC being awarded. This figure does not include out of borough placements.

The date(s) for further roll-out have not been announced.

4 FINANCIAL IMPLICATIONS

4.1 Housing Benefit and Council Tax Support present a significant “business”. The 2015/16 budget includes payments in excess of £126 million for Housing Benefit and £14 million (net) 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)	