

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

**Date:** Wednesday 4 January 2017

**Decision Type:** 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**

- 1.1 This report provides information regarding the performance of the benefit services provided by Liberata during the period 1 April 2016 to 30 September 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. Liberata will be providing a presentation of planned development/improvements to the service at the meeting.

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**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.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Benefits service impacts on all benefit recipients including vulnerable adults and/or those with children.
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### 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: Exchequer – Benefits
  4. Total current budget for this head: £4m
  5. Source of funding: Government Grants and Subsidy
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### Personnel

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: Applicable:
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### Procurement

1. Summary of Procurement Implications: The Benefits service is provided by Liberata as part of the Exchequer Services contract. The contract runs to April 2020.
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 20,700 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

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**

In previous reports it was advised that the outstanding work and pending figures were being reviewed in light of the increased documentation being received by the Benefits Section. The review has now been completed and the revised service standards below reflect the average number of documents received in a 2 week basis. This was the basis of the “target” included in the Exchequer Services specification.

Outstanding items    3,500  
Pending                    2,200

The amount of outstanding work stood at 5575 items as at the end of September 2016. This included 2582 items where the Benefits Section has written requesting information and a response is awaited.

The level of outstanding work since April 2014 is illustrated at Appendix 2

#### **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:

Apr 16	May 16	Jun16	Jul 16	Aug 16	Sep 16
6.85	9.63	9.68	13.53	9.46	10.96

**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 new claims and change in circumstances making up that average.

Attached as Appendix 5 is 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 30 June 2016, the latest date to which information is available.

## **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.

Liberata's performance remained below the 5% tolerance (contained within the specification) for this reporting period. Monthly performance figures are provided below:

April 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
%	%	%	%	%	%
2.7	1.7	4.6	2	2.6	3.79

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

## **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 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**

At the May 2016 meeting of the Executive it was agreed that the recovery target and the corresponding penalty/incentive scheme should be suspended from the 1 September 2014. The level of overpayments being created as a result of Real Time Information and projected under Optional Real Time Information making the terms included in the Exchequer Services specification unobtainable.

Appendix 8 shows the monthly recovery rates since October 2014.

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

The graph at Appendix 9 details the performance of the Call Centre from April 2014

The abandonment rate for September 2016 was 4.9%. Whilst it is always the intention that 100% of calls are answered, the achieved level of performance is within the 5% tolerance contained in the specification.

The Section is encouraging self-service as a means of obtaining basic information in respect of their account, with this being relayed on the automated recording when ringing

the call centre. We are currently investigating ways of excluding from the abandonment rate those choosing to terminate their call in response to receiving this message.

### **Caseload**

A graph showing the number of claims in payment is attached as Appendix 10. This illustrates that there has been a significant reduction in the overall caseload since October 2014. The caseload stood at 20,714 on the 30 September 2016 whereas it was as high as 23,856 in April 2012.

### **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. For 2016/17 The DWP has allocated the Authority £617,897 for awarding DHP's. It is envisaged that the full allocation will be awarded.

### **Council Tax Support/Reduction (CTS)**

The Council Tax scheme for 2016/17 was agreed at Full Council in December 2015, this increased the minimum contribution of working-age claimants to 25% of the household's Council Tax liability.

Following a public consultation exercise in which 68% of those responding agreed with the Authority's recommendation that the CTS scheme should remain unchanged, a report was presented to the Council meeting of the 12 December 2016 to that effect. The recommendations were agreed and the scheme duly adopted.

### **Universal Credit (UC)**

UC for single claimants was introduced in Bromley on the 18 January 2016. 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.

The DWP have now advised that they will go live with the Universal Credit "full service" for new claims from May 2018. It is currently planned that the existing working-age Housing Benefit claimants will be transferred over to Universal Credit by 2022.

## **4. FINANCIAL IMPLICATIONS**

Housing Benefit and Council Tax Support present a significant "business". The 2016/17 budget includes payments in excess of £127 million for Housing Benefit and £12 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

## **5. PROCUREMENT IMPLICATIONS**

The Benefits service forms part of the Exchequer Services Contract which expires in April 2020

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