

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

**Date:** Wednesday 29 November 2017

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

**Title:** BENEFITS SERVICE MONITORING REPORT

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**Chief Officer:** Peter Turner, Finance Director

**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 2017 to 30 September 2017. A letter from Amanda Inwood-Field, Liberata's London Regional 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)

- 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: £3.57m
  5. Source of funding: Existing revenue budget 2017/18 including 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: Not applicable
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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 until April 2020
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 20,000 Housing Benefit recipients (approx)
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not applicable

### 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.

#### 3.3 Outstanding Work

The target in the specification requires that the level of outstanding work is less than 5,700 documents of which 2,200 are in pending. At the end of September there were 3,997 outstanding documents. Of the 3,997 documents, 2,085 were in pending awaiting further information.

The level of outstanding work since April 2015 is illustrated at Appendix 2.

#### 3.4 Claim Processing

The speed of processing indicator is a combination of the time taken to assess new claims and change of circumstances.

The below table shows the Benefits Sections performance under the Right Time Indicator, the annual target for which is 13 days. For the first 6 months of this financial year the average performance was 9.76 days compared to 10.02 days for the same period last year.

Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17
7.25	8.47	9.84	10.63	11.95	14.07

**Average 2014/15**                      **13.85 days**  
**Average 2015/16**                      **11.40 days**  
**Average 2016/17**                      **10.20 days**

Performance under the Right Time Indicator is illustrated as Appendix 3

- 3.5 As requested at the previous meeting, tabled below are the performance figures in respect of the 2 components, new claims and change of circumstances.

#### **New Claims**

Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17
19.26	20.80	20.41	21.07	22.39	22.29

**Average 2014/15**                      **44 days**  
**Average 2015/16**                      **19 days**  
**Average 2016/17**                      **19 days**

### Change of Circumstances

Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17
6.88	7.44	9.37	10.63	11.95	13.30

**Average 2014/15**                      **15 days**  
**Average 2015/16**                      **10 days**  
**Average 2016/17**                      **9 days**

The average processing days covers a wide variance amongst claims. Appendix 4A and 4B show the “spread” in respect of new claims and change of circumstances.

**3.6** At the July 2017 Executive & Resources PDS meeting it was requested that explanations be provided for new claims and change of circumstances that are recorded as taking in excess of 100 days to process. For the period 1 April to 30 September 2017, 2138 new claims were processed and no new claim took in excess of 100 days. Of the 33,234 change in circumstances processed, 27 (0.08%) took in excess 100 days to process and the reasons why are detailed below:

### Change in circumstances

Reason why the change was processed in excess of 100 days	Number of claims
Additional time was given for the claimant to provide information	3
Advance notification of a change	23
Late action on a notified change	1
Total	27

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 31 March 2017, the latest date to which information is available.

### 3.7 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 remained within the 5% tolerance for the first 6 months of 2017/18 as shown in the monthly performance figures tabled below. A graphical illustration is entered as Appendix 6.

April 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17
%	%	%	%	%	%
2.58	1.19	1.78	2.63	0	2.07

### **3.8 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 customer’s area of discontent.

A graph showing the number of “Stage 2” complaints received is attached as Appendix 7.

### **3.9 Housing Benefit Overpayments**

At the May 2016 meeting of the Executive meeting 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 April 2015.

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

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

The average abandonment rate for the period up until the 30 September 2017 was 6%, compared to the 5% tolerance contained in the specification. Whilst outside of the target figure, it was advised in the last monitoring report that the section was encouraging the use of self-service on the automated recording at the call-centre. This was leading customers to abandon calls earlier and seek information via the self-service portal. This can be evidenced by the increased usage of the portal. We are currently exploring ways of excluding these calls from the statistics whilst continuing to monitor the service.

### **3.11 Caseload**

A graph showing the number of claims in payment is attached as Appendix 10. This illustrates that there was 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 19,989 on the 30 September 2017 whereas it was 23,856 in April 2012.

### **3.12 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 2017/18 The DWP has allocated Bromley £726,861 for awarding DHP’s, it is envisaged that the full sum will be used.

### **3.13 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 the Council Meeting of the 12 December 2016 adopted a scheme for 2017/18 where the minimum contribution of working-age claimants to 25% of the household's Council Tax liability remained at 25%.

The Authority has undertaken a public consultation exercise to seek resident's views on the scheme to be operated in 2018/19. The Authority recommended in the consultation documentation that for 2018/19 the minimum contribution for working-age claimants should remain at 25%. Results of the consultation exercise together with officers recommendation are contained in a report to the 6 December 2017 meeting of the Executive.

### 3.14 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. As of June 2017 there were 809 clients on UC of which 234 had housing costs. Out of Borough placements by Bromley are not counted in these figures and no details can be obtained via the Benefits system.

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

- 4.1 The latest budget monitoring report shows a projected over spend of £34k. This is mainly due to the non-achievement of savings relating to delays in the implementation of the Capital Connect System. The remaining contract related budgets are expected to spend to budget.

## 5. PROCUREMENT IMPLICATIONS

- 5.1 The Benefits Service forms part of the Exchequer Services contract which expires in April 2020.

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