
Decision Maker: EXECUTIVE, RESOURCES AND CONTRACTS POLICY
DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 5 July 2018

Decision Type: Non-Urgent Executive 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: 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 October 2017 to 31 March 2018. 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.

RECOMMENDATION(S)

2.1 The Committee is requested to:

- note and comment on the information contained within the report and the letter provided by Liberata detailed in Appendix 1; and
- support a consultation exercise being held in August 2018 for the Authority's 2019/20 Council Tax Support/Reduction scheme based on the scheme being the same as currently in place i.e. the minimum contribution of working age claimants remaining at 25% of a household's Council Tax liability.

2.2 The Portfolio Holder to approve that the scheme to be recommended in the consultation exercise for the Authority's 2019/20 Council Tax Support/Reduction scheme be the same as currently in place.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Benefits Service impacts on all benefit recipients including vulnerable adults and/those with children.
-

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: Exchequer - Benefits
 4. Total current budget for this head: £3.8m
 5. Source of funding: Existing revenue budget 2017/18 including Government Grants and Subsidy
-

Personnel

1. Number of staff (current and additional): 4 plus Liberata staff
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: Statutory Requirement

The main pieces of legislation covering this service are:

Housing Benefit Regulations 2006

The Council Tax Reduction Schemes Regulations 2012

Local Government Finance Act 2012

2. Call-in: Applicable
-

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.
-

Customer Impact

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

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, monthly service review meetings are held with operational and senior Liberata management. Regular 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 2nd April 2018 there were 4,550 outstanding documents. Of the 4,550 documents, 1,435 were in pending awaiting further information.

- 3.4 The level of outstanding work since April 2016 is illustrated at Appendix 2.

3.5 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.

Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
13.06	13.65	11.84	10.42	9.91	2.75

Average 2014/15 **13.85 days**
Average 2015/16 **11.40 days**
Average 2016/17 **10.20 days**
Average 2017/18 **8.53 days**

Performance under the Right Time Indicator is illustrated as Appendix 3

- 3.6 Tabled below are the performance figures in respect of the 2 components, new claims and change of circumstances.

New Claims

Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
22.05	20.58	18.84	18.98	19.36	19.76

Average 2014/15 **44 days**
Average 2015/16 **19 days**
Average 2016/17 **19 days**
Average 2017/18 **20 days**

Change of Circumstances

Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
12.14	12.63	10.96	9.51	2.44	9.07

Average 2014/15 **15 days**
Average 2015/16 **10 days**
Average 2016/17 **10 days**
Average 2017/18 **10 days**

3.7 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.

As requested at the July 2017 Executive & Resources PDS, detailed below are explanations for those new claims and change of circumstances that are recorded as taking in excess of 100 days to process. For the period 1 October 2017 to 31 March 2018, 2050 new claims were processed and no new claim took in excess of 100 days. Of the 48,194 changes in circumstances processed, 19 (0.04%) took in excess of 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	5
Incorrect data input	4
Advance notification of a change	9

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 for Quarter 3 of 2017/18 which is the latest date to which information is available.

3.8 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 throughout the period, as shown in the monthly performance figures tabled below. A graphical illustration is entered as Appendix 6.

Oct 17	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18
%	%	%	%	%	%
3.9	1.8	1.2	0.6	2.3	1.8

3.9 **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.

3.10 **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 deeming the targets included in the Exchequer Services specification inappropriate.

Appendix 8 shows the monthly recovery rates since October 2015.

3.11 **Call Centre (Help line)**

The graph at Appendix 9 details the performance of the Call Centre from April 2015.

The average abandonment rate for the 2nd half of 2017/18 was 3% compared to the 5% tolerance contained in the specification. This was an improvement on the period April 2017 to September 2017 and reduced the annual abandonment rate to 5%

3.12 **Caseload**

A graph showing the number of claims in payment is attached as Appendix 10. There was a significant increase in the overall caseload following Liberata first becoming responsible for the service in 2002. However, in recent years the number of claims has shown a consistent reduction and was 19,653 on the 31 March 2018.

3.13 **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 allocated Bromley £726,861 for awarding DHP’s, the Authority’s actual expenditure for the year was £727,013.

The DWP have allocated Bromley funding of £725,249 for the financial year 2018/19. As in previous years, it is envisaged that the full sum will be allocated.

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

The Council Tax scheme for 2018/19 was agreed at Full Council on the 11 December 2017, this retained the minimum contribution of working-age claimants to 25% of the household’s Council Tax liability.

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 2018 based on the scheme for 2019/20 being the same as for the current year.

3.15 **Universal Credit (UC)**

Universal Credit 'Full service' starts in Bromley on 25th July 2018. Preparations have been on-going with the Jobcentre Plus to ensure that residents that are affected by this will receive the support needed to claim Universal Credit.

LB Bromley has a partnership with Bromley Citizens Advice Bureau (CAB) for them to provide Budgeting Support to those on Universal Credit. The intention being that the recipients are able to pay their rent and not get into debt.

An advice HUB is being created at the Jobcentre staffed by the Jobcentre, Clarion Housing Association, CAB, LB Housing and Children's Project.

Awareness sessions have been planned for landlords and partner organisations. During these sessions landlords will be advised as to what they can expect if they have a tenant on UC and providing them opportunity to raise any questions that they might have.

It is currently planned that the existing working-age Housing Benefit claimants will be transferred over to Universal Credit by 2023.

4. FINANCIAL IMPLICATIONS

4.1 For 2017/18 there were no variations reported for the contract budget of £3.8m.

5. PROCUREMENT IMPLICATIONS

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

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