

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

Date: Thursday 22 November 2018

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

Title: BENEFITS SERVICE MONITORING REPORT

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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 April 2018 to 30 September 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.

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: £3.845m
 5. Source of funding: Existing revenue budget 2018/19 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 the service are:
The Housing Benefit Regulations 2006
The Council Tax Reduction Schemes Regulations 2012
The 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 contact. The contract runs until April 2020.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 19,600 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.

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.

3.2 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 30 September 2018 there were 4,995 outstanding documents. Of the 4,995 documents, 1,843 were in pending awaiting further information.

The level of outstanding work since April 2016 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 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 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18
7.77	8.32	11.76	11.76	11.09	9.95

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.

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

New Claims

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18
18.79	22.97	25.69	26.33	20.47	16.78

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

Change of Circumstances

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18
7.12	7.31	10.34	10.17	10.05	9.31

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

- 3.5 The average processing days covers a wide variance amongst claims. Appendix 4 and 4a 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 April to September 2018, 2062 new claims were processed, 12 (0.5%) took in excess of 100 days. Of the 23,893 changes in circumstances processed, 116 (0.4%) took in excess of 100 days to process. The reasons why are detailed below:

New Claims

Reason why the change was processed in excess of 100 days	Number of claims
Additional time was given for the claimant to provide information	10
Incorrect data input	2
Total	12

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	14
Incorrect data input	6
Retrospective changes advised by DWP report (Atlas)	96
Total	116

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 1 of 2018/19 which is latest information is available.

3.6 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.

Throughout the period the contractor remained within the 5% tolerance allowed in the specification. However, in May 2018 was outside the “soft target” agreed at the time of the last monitoring report. A graphical illustration is entered as Appendix 6.

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18
%	%	%	%	%	%
2.0%	4.4%	1.4%	1.4%	0.7%	2.3%

3.7 **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.

3.8 **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 2016.

3.9 **Call Centre (Help line)**

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

The level of calls received in the first 6 months of this financial year has fallen by about 8% which is believed to be a result of customers moving to the on-line self-service system.

The average abandonment rate for the 1st half of 2018/19 was 5% which is the tolerance allowed for under the specification. However, there was a period in which the abandonment rate was at a higher level, this was raised with senior managers within Liberata who put a recovery action in place.

3.10 **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 19,434 on the 30 September 2018.

3.11 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 respect of 2018/19 The DWP allocated Bromley £725,249 for awarding DHP's, as in previous years it is envisaged the full sum will be allocated.

3.12 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.

A report is being presented to the Executive on the 28th November which recommends the scheme to be adopted for 2019/20 following the annual consultation exercise.

3.13 Universal Credit (UC)

Universal Credit 'Full service' started in Bromley on 25th July 2018. The removal of temporary accommodation Housing costs from Universal Credit has lessened the financial impact for Bromley Council. The Local Jobcentre have reported that over 80% of new Universal Credit claims are being paid in full at the initial 1st payment date (5 weeks from application date). Advance payments for clients who cannot manage for the first 5 weeks are available and easy to apply for once the initial application and Identification checks are completed, these are loans that will need to be paid back from future entitlement.

An advice HUB has been created at the Jobcentre staffed by the Jobcentre, CAB, LB Housing, Benefits and Children's Project.

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. This partnership will end with effect 31st March 2019 due to the Department of Works and Pensions (DWP) and CAB working in partnership to deliver the support. The DWP terminated the partnership with all Local Authorities to deliver support from 1st April 2019 therefore Bromley will no longer have a role to assist their residents.

Awareness sessions have taken place with Landlords and advisory groups. The introduction of Universal Credit in Bromley has so far been good, however, with the removal of the partnership between DWP and Bromley Council, the Authority will have little influence to ensure the rollout continues to be positive.

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 Housing Benefit and Council Tax Support present a significant "business". The 2018/19 budget includes payments in excess of £121m for Housing Benefit and £12m (net) for Council Tax Support. 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

4.2 The contract budget for 2018/19 is expected to spend to budget, as at 30 September 2018.

5. PROCUREMENT IMPLICATIONS

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

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