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

Date: Wednesday 23 June 2021

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

Title: BENEFITS SERVICE MONITORING REPORT AND COUNCIL
TAX SUPPORT\REDUCTION 2022/23

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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 Benefits Service provided by Liberata for the period 1 December 2020 to 31 March 2021. A letter from Amanda Inwood-Field Liberata's London Regional Contract Director is attached as Appendix 1. This communication provides Liberata's perspective of 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 with the report and the letter provided by Liberata detailed in Appendix 1; and**
- **consider the Council Tax Support\Reduction scheme options recommended for the public consultation exercise for financial year 2022/23.**

2.2 **The Portfolio Holder to approve the scheme to be recommended in the consultation exercise for the Authority's 2022/23 Council Tax Support\Reduction scheme.**

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: Not Applicable
 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: £2.59m
 5. Source of funding: Existing revenue budget 2020/21 including Government Grants and Subsidy
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Personnel

1. Number of staff (current and additional): 3 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:
Housing Benefit Regulations 2006
The Council Tax Reduction\Support Schemes Regulations 2012
The Local Government Finance Act 2012
 2. Call-in: Not 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.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):18,152
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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 Exchequer Services 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 The Exchequer Service specification effective from 1 April 2020 introduced key performance indicators for the processing of new claims and change in circumstances as well reducing the tolerance level for errors to 4% (previously 5%).
- 3.4 During this reporting period there has been a significant increase in Council Tax Support claims and reported change in circumstances as a result of Covid19. The Service has remained stable and has been able to mitigate the impact by using automated processes and re-prioritising tasks. However, it is anticipated that the Benefits service may be put under further pressure when the Government's furlough scheme ceases.

3.5 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 31 March 2021 there were 4075 outstanding documents. Of the 4075 documents, 1,118 were in pending awaiting further information. A graph showing the level of outstanding work since April 2019 is attached at Appendix 2.

A graph illustrating the number of Housing Benefit and Council Tax Support new claims and change in circumstance received since January 2020 is attached at Appendix 3

3.6 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:

Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
4.38	10.23	8.43	7.53	7.32	7.36	8.55	5.18	10.02	8.13	6.81	2.67

Average 2018/19 **9.40 days**
Average 2019/20 **6.22 days**
Average 2020/21 **6.13 days**

Performance under the Right Time Indicator is illustrated as Appendix 4

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

New claims – target for 2020/21 is 19 days

Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
16.40	12.11	13.24	14.22	13.88	15.24	16.46	13.12	15.71	16.36	13.99	12.89

Average 2018/19 **20 days**
Average 2019/20 **14 days**
Average 2020/21 **14 days**

3.8 Change in circumstances – target for 2020/21 is 9 days

Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
4.12	10.19	8.06	7.13	6.94	6.83	7.97	4.83	9.50	7.59	6.41	2.54

Average 2018/19 **9 days**
Average 2019/20 **6 days**
Average 2020/21 **7 days**

3.9 The average processing days covers a wide variance amongst claims. Appendix 5 and 5a show the “spread” in respect of new claims and change of circumstances.

For the period 1 December to 31 March 2021, 408 new Housing Benefit claims were processed, no claim took in excess of 100 days to process. Of the 26,781 changes in circumstances processed, 7 (0.02%) took in excess of 100 days to process. 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 given for the claimant to provide information	6
Administration delay	0
Retrospective changes advised by DWP report (Atlas)	1
Total	7

Attached as Appendix 6 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 the period October to December 2020 for Outer London authorities (Quarter 3, 2020/21), which is the latest information available.

3.10 Error rate

From 1 April 2020 the Exchequer Services specification requires the contractor to ensure that financial errors are found in less than 4% 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 4% tolerance contained in the specification for the 12 months covered in this reporting period as shown in the table below. A graphical illustration is entered as Appendix 7.

Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
0%	2.3%	3.7%	1.8%	2.6%	1.4%	1.3%	3.3%	0.6%	1.2%	0%	2.1%

3.11 **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 due to changes in the scheme. There were no “Stage 2” complaints during the period December 2020 to March 2021 which is an indication that a good service is being provided and that the customer’s areas of discontent are being resolved therefore preventing unnecessary complaints.

3.12 **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 unattainable.

Appendix 8 shows the monthly recovery rates since April 2019.

3.13 **Call Centre (Help line)**

The graph at Appendix 9 details the performance of the Call Centre from March 2019.

The number of calls received for the period December 2020 to March 2021 was 32,281 this has reduced by 2835 compared to the same period in 2019/20. The reduction is a result of customers moving to the on-line self-service system and the migration of new Housing Benefit claims to Universal credit.

The average abandonment rate for the period December 2020 to March 2021 was 0.82 % which is within the 5% tolerance allowed for under the specification.

3.14 **Caseload**

A graph showing the overall number of claims in payment and the Council Tax Support caseload is attached as Appendix 10. Prior to the Covid-19 the overall caseload had been consistently reducing due to the natural migration of working age Housing Benefit claimants to Universal Credit.

At the end of March 2021 the combined caseload was 18,152 and the Council Tax Support was 15,212.

3.15 **Discretionary Housing Payments (DHP's)**

The DWP allocation for 2020/21 was £893,289. The actual sum spent was £893,375 and 921 awards were made.

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

The Council Tax scheme for 2020/21 retained the minimum contribution of working-age claimants to 25% of the household's Council Tax liability.

At the end of March 2021 there were 15,212 households in receipt of Council Tax Support of which 9943 were of working age and 5,269 were elderly.

The working age caseload split by Council Tax band is shown below:

Council Tax Band	A	B	C	D	E	F	G	H	Total
Number of working-age claims	353	1977	4016	2573	738	224	58	4	9943

Since March 2020 the number of working age households in receipt of CTS has increased by 1090 (over 12%). It is anticipated that the caseload will fluctuate once the furlough scheme ends and the restrictions ease.

In response to Covid-19, the Government provided local Authorities in England £500m to support "economically vulnerable people and households in their local area". Bromley were allocated £1,814,229.

At 31 March 2021 we have been able to reduce 12,822 Council Tax Support household's annual liability up to £150.

Council Tax Support/Reduction scheme for 2022/23

The Authority is required to undertake an annual 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 2021.

Officers investigated various scheme options. The table below shows the options available based on 2021/22 Council Tax levels:

Option	Proposed scheme	Net variation in costs £000's
1	Working-age minimum liability reduced to 20%	+399
2	Working-age minimum liability reduced to 20% and entitlement restricted to band "D" Council Tax liability	+179

3	Working- age minimum liability 25% - current scheme	0
4	Working-age minimum liability reduced to 25% and entitlement restricted to band “D” Council Tax liability	-143
5	Working- age minimum liability increased to 30%	-342
6	Working age minimum liability increased to 30% and entitlement restricted to band “D” Council Tax liability	-393
7	Working-age minimum liability increased to 35%	-446
8	Working age minimum liability increased to 35% and entitlement restricted to band “D” Council Tax liability	-678

In light of the on-going effects of the pandemic, leaving the scheme unchanged for 2022/23 (Option 1) would be the Officers recommendation.

3.17 **Universal Credit (UC)**

Universal Credit (UC) ‘Full service’ started in Bromley on 25th July 2018.

Only working age residents in Supported Exempt or in Temporary accommodation are eligible to apply for Housing Benefit, all other working age residents making a new application for assistance with their housing costs have to apply for Universal Credit.

The Department of Works and Pensions (DWP) statistics show 19,760 households in Bromley were on Universal Credit (latest provisional figures from February 2021, increased from 8,293 from February 2020) with 22,956 people in total on UC of which 8,166 are in employment increased from 9,058 and 3,253 since February 2020.

The DWP also advise that 95% 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.

The DWP terminated the partnership with all Local Authorities to deliver support from 1st April 2019 therefore Bromley no longer have a role to assist their residents in applying and assisting with budgeting when having to claim UC. The Citizens Advice Bureau (CAB) have been contracted to deliver this assistance and they provide both assistance in claiming UC and follow that through with Budgeting support. This service is available in person at Bromley Jobcentre Plus and also via telephone.

It was announced in February 2020 that the existing working-age Housing Benefit claimants will be transferred over to Universal Credit by September 2024, it was previously stated that the transfer would happen in 2023.

4 FINANCIAL IMPLICATIONS

Housing Benefit and Council Tax Support present significant “business”. The 2020/21 budget includes payments in excess of £100m 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.

5 LEGAL IMPLICATIONS

Full legal implications were set out in the report considered by members of the Executive on the 2 August 2019. However, in summary Section 33(1) (e) of the Welfare Reform Act 2012 abolished the National Council Tax benefit. Section 10 (1) of that Act introduced a new Section 13A (2) into the Local Government Finance Act 1992 which obliged each local authority to make its own scheme for those it considered to be in financial need.

Schedule 1A of the 1992 Act sets out the procedural steps required to make a revised scheme. These include the obligation to consider whether or not to change a scheme for any financial year. Where changes are made there is a statutory obligation to publish a draft scheme and to consult with such persons as we deem to have an interest. This will include both individuals who receive benefit and those who don't. Any new scheme must be adopted by 31st January in the financial year preceding that in which it is to apply.

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