

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

Date: Wednesday 5 January 2022

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 Benefits Service provided by Liberata for the period 1 April to 30 November 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.
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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

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 and Admin
 4. Total current budget for this head: £5.865m
 5. Source of funding: Existing revenue budget 2021/22 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):17,966
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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 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 reported change in circumstances and Universal Credit notifications as a result of the ongoing effects of Covid19 and the changes to Universal credit scheme. The Service has remained stable and has been able to mitigate the impact by using automated processes and re-prioritising tasks.

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 30 November 2021 there were 3297 outstanding documents. Of the 3297 documents, 875 were in pending awaiting further information. A graph showing the level of outstanding work since November 2019 is attached at Appendix 2.

A graph illustrating the number of Housing Benefit and Council Tax Support new claims, change in circumstance and Universal Credit notifications (new, changes and stops) since January 2021 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 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
6.51	7.25	11.04	8.63	7.35	7.59	8.43	11.37				

Average 2019/20 **6.22 days**
Average 2020/21 **6.13 days**
Average 2021/22 **8.24 days (to date)**

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 2021/22 is 19 days

Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
12.93	12.47	13.42	12.58	13.72	14.11	11.42	14.25				

Average 2019/20 **14 days**
Average 2020/21 **14 days**
Average 2021/22 **13.15 days (to date)**

3.8 **Change in circumstances – target for 2021/22 is 9 days**

Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
6.26	9.94	10.88	8.34	6.78	6.97	8.11	11.08				

Average 2019/20 **6 days**
Average 2020/21 **7 days**
Average 2021/22 **7.89 days (to date)**

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 April to 30 November 2021, 1113 new Housing Benefit claims were processed, no claim took in excess of 100 days to process. Of the 15,792 changes in circumstances processed, 14 (0.08%) 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	3
Administration delay	0
Retrospective changes advised by DWP report (Atlas)	11
Total	14

DWP Benchmarking - processing times for new claims and changes

The table below shows the latest benchmarking figures released by the DWP in respect of new claims and change of circumstances processing for the 19 Outer London authorities:

Local Authority	Quarter 1 2021/22	Changes	Quarter 4 2020/21	Changes
	New Claims		New Claims	
Barking and Dagenham	23	8	18	3
Barnet	27	9	24	5
Bexley	9	9	10	6
Brent	45	11	54	8
Bromley	14	9	13	4
Croydon	40	6	41	3
Ealing	26	7	21	4
Enfield	34	4	26	3
Greenwich	24	10	18	3
Harrow	22	4	21	3
Havering	17	5	15	4
Hillingdon	23	5	26	3
Hounslow	12	4	8	2
Kingston upon Thames	32	8	22	3
Merton	11	16	14	7
Redbridge	14	4	19	2
Richmond upon Thames	24	7	24	6
Sutton	14	7	14	3
Waltham Forest	13	4	22	2

Based on the Quarter 1, 2021/22 data Bromley's performance for new claims was joint 5th and joint 12th for changes.

Attached as Appendix 6 and 6a are graphical illustrations of Quarter 1, 2021/22 and Quarter 4, 2020/21 performance against the contractual target.

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 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
1.4%	0%	2.1%	1.8%	0.6%	1.1%	0.5%	0.4%				

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 April 2021 to November 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 November 2019.

3.13 **Call Centre (Help line)**

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

The number of calls received for the period April 2021 to November 2021 was 59,514. This is a slight increase when compared to the 59,683 calls received for the same period in 2020/21 and has been attributed to the migration of Housing Benefit claims to Universal credit and the move to self service via MyBromley Account.

The average abandonment rate for the period April 2021 to November 2021 was 1.2 % 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 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 November 2021, the combined caseload was 17,966 and the Council Tax Support was 14,912.

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

The DWP allocation for 2021/22 was £723,755. This was reduction of £169,534 on the 2020/21 allocation of £893,289. From 1 April 2020 the DHP fund has been administered by Liberata and monitored by Bromley. It is envisaged that the fund will be fully utilised.

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

The Council Tax scheme for 2021/22 retained the minimum contribution of working-age claimants to 25% of the household’s Council Tax liability.

At the end of November 2021 there were 14,912 households in receipt of Council Tax Support of which 9704 were of working age and 5,208 were elderly.

The working age and elderly 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	345	1928	3938	2505	728	202	56	2	9704
Number of elderly claims	277	997	1805	1462	478	138	49	2	5208

By March 2021, as a result of the pandemic the number of working age households in receipt of CTS had increased by over 12%. Although the working-age caseload has started to reduce the situation remains volatile and it is anticipated that it will fluctuate during the next 12 months.

3.17 **Service Development**

We committed to improving and enhancing the service by implementing initiatives that will allow us to automate our back office processes which eventually will lead to a significant reduction in processing times.

So far, we have introduced on-line applications forms for Housing and Council Tax Support which in the coming months will enable us to automate the processing of low risk claims. We are currently focusing, on increasing the percentage of Universal Credit notifications, due to the high volumes that are currently being received, that can be determined without any manual intervention as we believe this will enhance the customer journey and deliver a reduction in the processing times for change in circumstances.

3.18 **Universal Credit (UC) update**

Universal Credit (UC) '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.

The October 2021 Budget the Government amended the taper rate for UC (reducing an amount for every £1 you earn over the government set figure) therefore for every £1 a client earns the benefit reduces by 65p when on Housing Benefit (HB) but in Universal Credit it reduces by 55p. This change makes it more beneficial to clients who are earning and on a low income to claim UC rather than remain on HB.

The Budget also advised that there are plans to create a new housing element of Pension Credit, replacing pensioner Housing Benefit, is now intended to take effect in 2025, to align with the full rollout of working-age Housing Benefit into Universal Credit.

The inclusion of Pensioners was initially in the plans for Universal Credit but all reference to them being included had been missing for a few years and wasn't expected to be so soon, if at all. The impact of this will be significant to the Borough as the pensioner caseload is proportionally high. This also suggests that from 2025 the only residents in Bromley on HB will be those in temporary or supported/exempt accommodation.

The Department of Works and Pensions (DWP) statistics show 15,839 households in Bromley were on Universal Credit (latest provisional figures from August 2021, decreased from highest of 17,206 in March 2021) with 21,218 people in total on UC of which 8,446 are in employment increased from 3,253 since February 2020.

The DWP also advise that 93.5% 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 Citizens Advice Bureau (CAB) have been contracted to deliver 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.

4 FINANCIAL IMPLICATIONS

Housing Benefit and Council Tax Support present significant "business". The 2021/22 budget includes payments in excess of £90m for Housing Benefit and £14m (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 POLICY IMPLICATIONS

- 5.1 One of the "Making Bromley Even Better" ambitions is to manage our resources well, providing value for money, efficient and effective services for Bromley's residents. To achieve this, we will ensure robust contract management with a focus on efficiency and innovation to improve services for Bromley residents.

6 LEGAL IMPLICATIONS

- 6.1 This is a contract monitoring report pursuant to CPR23. There are no specific legal implications raising from this report.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Personnel and Procurement
Background Documents:	

(Access via Contact Officer)	
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