

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

Date: Monday 16 January 2023

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

Title: BENEFITS SERVICE MONITORING REPORT

Contact Officer: Jayne Carpenter, Revenue and Benefits Manager
Tel: 020 8461 7996 E-mail: Jayne.Carpenter@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 Benefits Service provided by Liberata for the period 1 April to 30 November 2022. 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

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.
-

Transformation Policy

1. Policy Status: Not applicable
 2. Making Bromley Even Better Priority:
(5) to Manage our resources well, providing value for money, and efficient and effective services for Bromley residents
-

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: £3.52m
 5. Source of funding: Existing revenue budget 2022/23 including Government Grants and Subsidy
-

Personnel

1. Number of staff (current and additional): 3 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 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
-

Procurement

1. Summary of Procurement Implications: The Benefits Service is provided by Liberata as part of the Exchequer Services contract.
-

Property

1. Summary of Property Implications: Not Applicable
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):16,593
-

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 continues to be a significant increase in directly reported change in circumstances. The number Universal Credit notifications being received has reduced to pre-pandemic levels.

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 2022 there were 2662 outstanding documents. Of the 2662 documents, 906 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 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
4.11	7.06	8.34	7.00	5.93	7.31	8.16	9.39				

Average 2020/21 **6.13 days**
Average 2021/22 **6.32 days**
Average 2022/23 **6.89 days (year to date figure)**

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 2022/23 is 19 days

Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
11.23	7.21	10.87	15.96	11.15	10.45	8.46	13.78				

Average 2020/21 **14 days**
Average 2021/22 **13 days**
Average 2022/23 **11.13 days (year to date figure)**

3.8 Change in circumstances – target for 2022/23 is 9 days

Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
3.80	7.05	8.17	6.34	5.21	6.95	8.13	8.90				

Average 2020/21 **7 days**
Average 2021/22 **7 days**
Average 2022/23 **6.81 days (year to date figure)**

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 2022, 1,125 new claims were processed, 1 new claim (0.08%) took in excess of 80 days. Of the 13,336 changes in circumstances processed, 49 changes (0.3%) took in excess of 80 days to process. The reasons why are detailed below:

New claims

Reason why the claim was processed in excess of 80 days	Number of claims
Input error (incorrect date used)	1
Total	1

Change in circumstances

Reason why the change was processed in excess of 80 days	Number of claims
Incorrect receipt dates input	1
Additional time given for the claimant to provide information	47
Administration delay	0
Retrospective changes advised by DWP report (Atlas)	1
Total	49

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 4 2021/22	Changes	Quarter 1 2022/23	Changes
	New Claims		New Claims	
Barking and Dagenham	25	4	24	7
Barnet	25	4	31	11
Bexley	10	4	12	5
Brent	30	4	21	8
Bromley	14	4	9	6
Croydon	37	4	43	7
Ealing	26	4	24	6
Enfield	20	4	20	6
Greenwich	20	3	24	7
Harrow	19	3	23	5
Havering	18	2	26	5
Hillingdon	22	3	20	5
Hounslow	8	2	9	4
Kingston upon Thames	20	3	28	8
Merton	21	8	29	8
Redbridge	13	2	21	4
Richmond upon Thames	18	6	20	9
Sutton	13	2	14	5
Waltham Forest	20	3	24	5

Based on Quarter 1 (April – June), 2022/23 data Bromley’s performance for new claims was joint 1st and joint 3rd for changes.

Attached as Appendix 6 and 6a are graphical illustrations of Quarter 4, 2021/22 and Quarter 1, 2022/23 performance against the contractual target.

DWP are due to publish Quarter 2 (July to September) 2022/23 benchmarking statistics on the 25 January 2023.

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 and the 3% “soft target” for the 8 months covered in this reporting period as shown in the table below. A graphical illustration is entered as Appendix 7.

Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23
0.6	1.1	0.6	0.6	2.4	1.2	0.5	0.6				

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 to November 2022 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.

The Housing Benefit overpayment recovery rate percentage is based on the amount of debt raised in month against amount of debt recovered in month. Using this formula, the percentage recovered often exceeds the amount created and is referred to as the underlying trend.

Appendix 8 shows the monthly recovery rates since April 2020.

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 to November 2022 was 78,920. This is a considerable increase when compared to the 59,511 calls received for the same period in 2021/22 and has been attributed to residents enquiring about the Government’s Council Tax £150 rebate Energy scheme.

The average abandonment rate for the period April to November 2022 was 4.8 % 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 2022, the combined caseload was 16,593 and the Council Tax Support was 13,650.

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

The DWP allocation for 2022/23 is £512,968. This was reduction of £210,787 on the 2021/22 allocation of £723,755. 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 Support scheme for 2022/23 retained the minimum contribution of working-age claimants to 25% of the household's Council Tax liability.

At the end of November 2022 there were 16,650 households in receipt of Council Tax Support of which 8,525 were of working age and 5,125 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	314	1711	3408	2256	623	164	47	2	8525
Number of elderly claims	259	989	1785	1436	467	137	49	3	5125

Since March 2022, the Council Tax support caseload has reduced by 1262 claims and is now lower than pre-pandemic levels

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. It is envisaged that these will eventually lead to a significant reduction in processing times.

We have introduced on-line applications forms for Housing and Council Tax Support with the majority of the claims received now being made electronically. This is a positive result and will allow us, in the new financial year to automate the processing of low-risk claims.

We are currently focusing on increasing the percentage of Universal Credit notifications that can be processed without any manual intervention. Significant process has been made and the results are now starting to be reflected in the improved processing times. Ultimately this will enhance the customer journey and deliver a vast reduction in the processing times for change in circumstances.

In addition to our internal service improvements, we also commenced work on the DWP's mandatory Housing Benefit Award Initiative (HBAAI) which requires LA's to conduct full case reviews on a percentage of their high-risk cases to ensure that the amount of benefit being awarded is accurate. Full information on this initiative will be provided in the next monitoring report.

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 Council.

In 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 inclusion of Pensioners is now delayed until 2028/29 at the earliest as stated in the 2022 Autumn Statement.

The Department of Works and Pensions (DWP) statistics show 15,567 households in Bromley were on Universal Credit (latest provisional figures from August 2022, decreased from 15,713 in August 2021) with 20,448 people in total on UC of which 7926 are in employment.

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 2022/23 budget includes payments in excess of £80m 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. TRANSFORMATION/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.

7. CUSTOMER IMPACT

- 7.1 The Benefits Service directly impacts 16,593 customers.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 8.1 As part of the initiative to achieve greener ICT Liberata moved their systems to data centres compliant with ISO 14001 standards, an internationally agreed standard that sets out the requirements for an environmental management system. This helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.

The MyBromley account software supports 7500 subscribers to e-billing, reducing paper production and postal service reliance and allows customers to upload any evidence required to support their claims. Officers continue to work with Liberata on projects to increase back-office automation and further reduce paper volumes.

Liberata also supports staff to volunteer for local organisations, such as Age Concern befriending scheme.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Personnel, Procurement, Property and Ward Councillors views
---------------------------------	---