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

Date: **Monday 3 July 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 December to 31 March 2023. A letter from Bola Odunsi Liberata's on Regional Contract Director (London and Southeast) 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

Impact on the Local Economy

1. Summary of Local implications: Not applicable

Impact on Health and Wellbeing

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):16,402

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 31 March 2023 there were 1967 outstanding documents. Of the 1967 documents, 720 were in pending awaiting further information. A graph showing the level of outstanding work since April 2020 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 April 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 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	7.12	5.66	8.61	2.25

Average 2020/21 6.13 days

Average 2021/22 6.32 days

Average 2022/23 5.68 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 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	10.77	7.27	6.84	10.13

Average 2020/21 **14 days**
Average 2021/22 **13 days**
Average 2022/23 **11.13 days**

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	6.55	5.66	8.72	2.03

Average 2020/21 **7 days**
Average 2021/22 **7 days**
Average 2022/23 **6.81 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 2022 to 31 March 2023, 704 new claims were processed, no new claim took more than 80 days. Of the 22,546 changes in circumstances processed, 41 changes (0.18%) took more than 80 days to process. The reasons why are detailed below:

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	40
Administration delay	0
Retrospective changes advised by DWP report (Atlas)	0
Total	41

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 2 2022/23		Quarter 3 2022/23	
	New Claims	Changes	New Claims	Changes
Barking and Dagenham	22	8	20	10
Barnet	28	11	20	8
Bexley	10	6	12	5
Brent	20	12	19	5
Bromley	11	6	12	11
Croydon	39	13	37	6
Ealing	29	9	23	10
Enfield	21	5	20	9
Greenwich	23	8	21	4
Harrow	22	8	18	10
Havering	27	9	33	9
Hillingdon	19	6	20	7
Hounslow	8	4	8	9
Kingston upon Thames	29	11	21	8
Merton	19	9	21	9
Redbridge	25	7	21	7
Richmond upon Thames	17	11	16	10
Sutton	16	10	14	13
Waltham Forest	12	6	14	11

Based on Quarter 3 (October - December), 2022/23 data Bromley's performance for new claims was joint 2nd and joint 11th for changes.

Although Bromley's performance in Quarter 3, 2022/23 is higher in relation to changes, when compared to Quarter 2 & 3, 2021/22 performance significant improvements have been made.

Attached as Appendix 6 and 6a are graphical illustrations of Quarter 2 and 3, 2022/23 performance against our contractual target.

DWP are due to publish Quarter 4 (January to March) 2022/23 benchmarking statistics on the 26 July 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 12 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	1.2	1.3	0.6	0.5

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 to March 2023 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**

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 November 2020.

3.13 **Call Centre (Help line)**

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

The number of calls received for the period December 2022 to 31 March 2023 was 30,679. For the same period in 2021/22 34,548 calls were received. The reduction in call volumes has been attributed to the natural migration of residents moving to Universal Credit.

The average abandonment rate for the period December 2022 to March 2023 was 1.75 % 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 March 2023, the combined caseload was 16,402 (17, 328 in March 22) and the Council Tax Support was 13,606 (14,170 in March 22).

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

The DWP allocation for 2022/23 was £512,968. This was a reduction of £210,878 on the 2021/22 allocation of £723,755. From 1 April 2020 the DHP fund has been administered by Liberata and monitored by Bromley.

In 2022/23, 540 awards were made equating to £513,476.

3.16 **Council Tax Support (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 March 2023 there were 13,606 households in receipt of Council Tax Support of which 8,537 were of working age and 5,069 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	337	1728	3401	2231	627	166	45	2	8537
Number of elderly claims	268	983	1758	1407	458	139	53	3	5069

The working age caseload has reduced by 464 claims since March 2022.

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 we have managed to automate the processing of 81% of the notifications being received.

In addition to our internal service improvements, we also commenced work on the DWP's mandatory Housing Benefit Award Initiative (HBAAI) which required LA's to conduct full cases review on a percentage of their high-risk cases to ensure that the amount of benefit being awarded is accurate. In 2022/23 Bromley was required to review 2,283 high risk-cases, the risk scores for the individual cases having been provided by the DWP.

At the 22 June 2023, 1790 cases have been completed and 493 are waiting for information to complete the review.

So far, by undertaking the reviews we have identified that 20.6% have had a change the that directly affected the amount of benefit they were awarded.

3.18 **Universal Credit (UC) update**

Universal Credit in Bromley will move into the ‘managed migration’ of residents on old style benefits such as working tax and child tax credit in August 2023. We currently have very little details on who will be contacted by the DWP at this stage and how quickly the migration will be. The aim is for the migration of working age residents to be completed by the end of 2024.

According to our caseload data, there are 1700 cases that have their Housing Benefit and/or Council Tax Support in receipt of working tax and/or child tax credit that will be directly affected over the coming months.

The impact of this will be significant and it is anticipated that from 2025 the only working age residents in Bromley on Housing Benefit will be those in temporary or supported/exempt accommodation

The Department of Works and Pensions (DWP) statistics show 16,556 households in Bromley were on Universal Credit (latest provisional figures from March 2023, increase from 15,567 in August 2022) with 20,624 people in total on UC of which 7807 are in employment.

The latest constituency data for Universal Credit is based on February statistics and can be found in detail on the following link [Constituency data: Universal Credit rollout \(parliament.uk\)](https://www.parliament.uk/data/universal-credit) but for information the headline figures for Bromley are:

Constituency	Households on UC	Households on Legacy Benefits	% Caseload complete
Bromley & Chislehurst	6006	2391	72
Orpington	4301	1861	70
Beckenham	3761	1495	72
Lewisham West & Penge	11659	4481	72

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 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 arising from this report.

7. CUSTOMER IMPACT

- 7.1 The Benefits Service directly impacts 16,402 customers.

8. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 8.1 Liberata exclusively uses Ark data centres which are committed to the European Green Deal, achieving the ambitious greenhouse gas reductions of the climate law, and leveraging technology and digitalisation to achieve the goal of making Europe climate neutral by 2050. For the last 6 years, all Ark facilities have been powered by 100% renewable energy. To improve sustainability further Ark has developed innovative direct air evaporative cooling capability that dramatically lowers energy consumption and cost, capable of providing compressor free cooling for 100% of every year.

The My Bromley account software supports 49,815 subscribers to e-billing, reducing paper production and postal service reliance. 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, Impact of Local Economy, Impact on Health and Wellbeing and Ward Councillors views
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