

Housing Benefit Grant Claim

Final Decision-Maker	Audit, Governance and Standards Committee
Lead Head of Service	Sheila Coburn, Head of Revenues and Benefits
Lead Officer and Report Author	Liz Norris, Business Support Manager
Classification	Public
Wards affected	All

Executive Summary

Maidstone Borough Council pays Housing Benefit to residents on behalf of the Department of Work & Pensions (DWP).

A claim is submitted to the DWP for the recovery of the Housing Benefit paid to residents. Before the DWP make any payment, an audit is required to be carried out to ensure the accuracy of the claim.

The Audit was undertaken by Grant Thornton to certify the Housing Benefit Subsidy Claim for 2018-2019. Whilst the audit identified a number of errors for which adjustment has been made, the original claim as presented by the Council was held to be 99.91% accurate.

Purpose of Report

Report is provided for information only.

This report makes the following recommendations to this Committee:

1. That the Committee notes the findings of the Housing Benefit Grant Claim Audit undertaken by Grant Thornton.
2. That the Committee notes the action plan proposed by the Revenues and Benefits Shared Service to address errors identified through the audit process.

Timetable

Meeting	Date
Audit, Governance and Standards Committee	13.01.2020

Housing Benefit Grant Claim

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	In maintaining effective financial controls the Council is able to confidently progress its priorities	Head of Revenues and Benefits
Cross Cutting Objectives	No impact	Head of Revenues and Benefits
Risk Management	The work undertaken by Grant Thornton provides external assurance to the Council on the effectiveness of arrangements for the accurate payment and recording of benefit expenditure	Head of Revenues and Benefits
Financial	The adjustments outlined have no impact on the net value of the Council's claim and the level of error identified does not indicate any significant underlying control weaknesses.	Section 151 Officer & Finance Team
Staffing	No Impact	Head of Revenues and Benefits
Legal	<p>The Department for Work and Pensions has developed the Housing Benefit Assurance Procedure (HBAP) that provides a comprehensive guide to providing assurance of Housing Benefit Subsidy claims submitted by Local Authorities including the testing methodology to establish a basis for the assurance and amendment of claims prior to final submission and the provision of the tools with which to conduct the assurance engagement.</p> <p>The Housing Benefit Grant Claim Audit by Grant Thornton was undertaken in accordance with the HBAP procedures.</p>	Legal Team
Privacy and Data Protection	No Impact	Head of Revenues and Benefits
Equalities	No Impact	Head of Revenues

		and Benefits
Public Health	No Impact	Head of Revenues and Benefits
Crime and Disorder	No Impact	Head of Revenues and Benefits
Procurement	No Impact	Head of Service & Section 151 Officer

2. INTRODUCTION AND BACKGROUND

- 2.1 The process was completed in advance of the 30 November 2019 deadline set by the Department of Work and Pensions (DWP).
- 2.2 Internal Audit undertook an initial sample check of 40 Housing Benefit claims across the main areas of expenditure and identified 4 errors.
- 2.3 The total value of these errors was £466.00 which resulted in the claim being amended.
- 2.4 As a result of the errors identified, a further sample of 200 cases were checked with a further 30 errors identified.
- 2.5 No new errors were identified in 2018/2019 within the largest area of expenditure. However, the Auditors are required to carry out testing on prior year errors. This required a further 120 cases to be checked. As a result 13 errors were identified.
- 2.6 The value of errors when extrapolated across the subsidy claim provided for a total gross adjustment of £38,827, with the net effect being no change to the overall value of the claim submitted by the Council, due to the errors attracting the same rate of subsidy. That error rate suggests the original claim as presented by the Council was 99.91% accurate.
- 2.7 The Revenues and Benefits Service carried out 55,984 benefit assessments during 2018-2019 and whilst that work is undertaken with a high degree of accuracy, supported by robust quality assurance measures, a level of error is unavoidable. It is commonplace for Housing Benefit grant claims to be qualified.
- 2.8 The initial errors found and planned actions can be summarised as follows:

Error	Planned action
<p><u>Family Premium applied incorrectly</u> - this error occurred as a result of applying Family Premium</p> <p>This resulted in the customer being overpaid. The overpayment has been held to be non recoverable.</p> <p>The customer was not adversely affected.</p> <p><u>Incorrect classification of an overpayment</u> – this error occurred when an officer wrongly classified the cause of the overpayment</p> <p>The customer was not adversely affected.</p> <p><u>Incorrect calculation of earnings</u> - this resulted in the customer being overpaid.</p> <p>This overpayment has been held to be non recoverable</p> <p>The customer was not adversely affected.</p> <p><u>Incorrect calculation of Working Tax Credits</u> -this resulted in the customer being underpaid and this has been corrected.</p>	<p>Subsidy Training has been arranged for 16 & 20 January 2020 for the department.</p> <p>The Revenues & Benefits team will be carrying out 100% checking in the areas identified in advance of submitting the 2019/2020 grant claim</p>

3. AVAILABLE OPTIONS

3.1 Report is provided for information only.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 Report is provided for information only.

5. RISK

5.1 This report is presented for information only and has no risk management implications

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 The report is provided for information only with no consultation required.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 Report is provided for information only.

8. REPORT APPENDICES

Appendix 1: Grant Thornton Qualification Letter

9. BACKGROUND PAPERS

None.