

**Housing Benefit Subsidy Claim 2020-21**

<b>Final Decision-Maker</b>	Audit Governance and Standards Committee
<b>Lead Head of Service</b>	Georgia Hawkes Mid Kent Services Director
<b>Lead Officer and Report Author</b>	Zoe Kent, Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

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

A claim is submitted to the DWP for the recovery of the Housing Benefit paid to residents. Before the DWP makes any payment, a detailed 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 2020-21. Whilst the audit identified six errors for which an adjustment had to be made, the original claim as presented by the Council was held to be 99.99% accurate.

**Purpose of Report**

Report is for noting only.

**This report makes the following recommendations to this Committee:**

1. That the committee notes the findings of the Housing Benefit Grant Audit undertaken by Grant Thornton.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Audit, Governance and Standards Committee	26 July 2022

# Housing Benefit Subsidy Claim 2020-21

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	In maintaining effective financial controls, the Council is able to confidently progress its priorities.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Cross Cutting Objectives</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Risk Management</b>	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.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Financial</b>	The adjustments outlined have minimal impact on the net value of the Council's claim and the level of error identified does not indicate any significant underlying control weaknesses.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Staffing</b>	No impact.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Legal</b>	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 the final submission and the provision of the tools with which to conduct the assurance engagement.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership

	The Housing Benefit Grant Claim Audit by Grant Thornton was undertaken in accordance with the HBAP procedures.	
<b>Privacy and Data Protection</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Equalities</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Public Health</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Crime and Disorder</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Procurement</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
<b>Biodiversity and Climate Change</b>	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Each year the Housing Benefit audit process is due to be completed by 30 November, which is the deadline set by the Department for Work and Pensions (DWP).

- 2.2 Due to the COVID pandemic, the DWP recognised there might be operational issues with external audit companies and local authorities meeting this deadline so offered authorities an alternative deadline of 31 January 2022.
- 2.3 Unfortunately, due to staff resource issues at Grant Thornton, the Council had to request the DWP for a further extension to May 2022.
- 2.4 External Audit undertook an initial sample check of 40 Housing Benefit claims across the main areas of expenditure and identified three errors:
- Other income had been incorrectly applied in a case in receipt of Employment and Support Allowance (ESA).
  - Incorrect LHA rate used, as this error causes an underpayment no further testing was needed.
  - Spare room subsidy incorrectly applied; this also causes an underpayment, so no further testing was required.
- 2.5 As a result of the error on a claim in receipt of ESA, all claims in receipt of ESA and other income were reviewed, one claim was found with an error of £1.
- 2.6 External Audit carried out further testing on prior year errors testing 40 cases in each error type. The testing was carried out on calculation of earnings and self-employed earnings, application of the family premium, misclassification of overpayments, and calculation of tax credits. No errors were found in the testing of the application of the family premium.
- 2.7 Five errors in the calculation of earnings resulted in an overpayment of Housing Benefit to a total of £701.
- 2.8 External Audit carried out further tests on a sample of 40 cases for Tax Credits. One error was identified with a value of £4 due to an incorrect value of Tax Credits being applied.
- 2.9 Six cases were identified which had been incorrectly classified in the cells on the return. These amounts have been amended on the Subsidy claim form.
- 2.10 The values of errors provided for a total adjustment of £127 to the claim. This error rate suggests the original claim as presented by the Council was 99.99% accurate.
- 2.11 The Revenues and Benefits Service carried out over 50,000 benefit assessments during 2020-21 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.
- 2.12 Due to the number and types of errors identified, it is not proposed to have an action plan put in place. Staff will be reminded of the importance to ensure figures are not transposed and calculations are double checked to minimise errors in the future.

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### **3. AVAILABLE OPTIONS**

3.1 Report is presented for information only.

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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

4.1 Report is presented for information only.

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### **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.

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### **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 Report is provided for information only.

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### **8. REPORT APPENDICES**

8.1 Appendix 1: Grant Thornton Qualification Letter

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### **9. BACKGROUND PAPERS**

None