

**Housing Benefit Subsidy Claim 2021-22**

<b>Will this be a Key Decision?</b>	No
<b>Urgency</b>	Not Applicable
<b>Final Decision-Maker</b>	Audit, Governance and Standards Committee
<b>Lead Head of Service</b>	Georgia Hawkes, Director of Mid Kent Services
<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 by the end of April after the end of the financial year. Before the DWP sign off the claim, 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 2021-22. Whilst the audit identified four 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**

This report is for noting only.

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

1. That the findings of the Housing Benefit grant audit undertaken by Grant Thornton be noted.

# Housing Benefit Subsidy Claim 2021-22

## 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.	Section 151 Officer & Finance Team
<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.	Deputy Head of Legal

	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>	The report is for noting and contains no recommendations that would propose a change in service, therefore no equalities impact assessment will be required.	Equalities & Communities Officer
<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 Following on from 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 2023.

- 2.3 Unfortunately, due to staff resource issues at Grant Thornton, the Council had to request the DWP for a further extension. The claim was signed off in March 2024.
- 2.4 External audit undertook an initial sample check of 80 Housing Benefit claims across the main areas of expenditure and identified six errors:
  - A claim was paid after a claimant had left a property.
  - A claim was assessed under the incorrect type of Housing Benefit.
  - An incorrect rent amount had been included on two claims; and
  - An incorrect amount of tax credits had been used in two claims.
- 2.5 Grant Thornton is also required to carry out testing where errors have been found in previous years.
  - Incorrect calculation of earnings and self-employed earnings.
  - The misclassification of overpayments.
  - The incorrect calculation of tax credits; and
  - The incorrect amount of Employment Support Allowance used in calculations.
- 2.6 Of the cases reviewed where claimants are in receipt of Tax Credits three cases contained errors meaning a total of £2,349 had been overpaid. One case had been underpaid by £313.
- 2.7 Of the cases reviewed where claimants are in receipt of earnings the total overpayment value was £321. The total value of underpayments was £22.
- 2.8 One error was found where a claim had not been cancelled, the value of this error was £90.
- 2.9 Of the cases found to have errors where the claimant is in receipt of Employment Support Allowance there were no overpayments of Housing Benefit.
- 2.10 Four cases were identified which had been incorrectly classified in the cells on the return. These amounts have been amended on the subsidy claim form.
- 2.11 The values of errors provided for a total adjustment of £131. This error rate suggests the original claim as presented by the Council was 99.99% accurate.
- 2.12 The Revenues and Benefits Service carried out over 50,000 benefit assessments during 2021-22 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.

2.13 Due to the number and types of errors identified, training will be carried out over the next 12 months. Staff will be reminded of the importance to ensure figures are not transposed and calculations are doubled checked to minimise errors in the future.

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### **3. AVAILABLE OPTIONS**

3.1 This report is presented for information only.

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

4.1 This 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 This report is presented for information only with no consultation required.

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

7.1 This report is presented for information only.

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### **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix 1: Grant Thornton report
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### **9. BACKGROUND PAPERS**

None.