

Housing Benefit Grant Claim

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

Executive Summary

To consider the findings of the work undertaken by Grant Thornton to certify the housing benefit subsidy claim that the Council submitted during 2016-2017.

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 and planned action by the Revenues and Benefits Service.

Timetable

| Meeting | Date |
|-------------------------------------------|-------------|
| Audit, Governance and Standards Committee | 15.01.2018 |

Housing Benefit Grant Claim

1. INTRODUCTION AND BACKGROUND

- 1.1 Grant Thornton undertook work to certify the Housing Benefit grant claim that was submitted by the Council with a value of £46.7 million with the process completed in advance of the 30th November 2016 deadline set by the Department of Work and Pensions.
- 1.2 The Auditors undertook a sample check of 60 housing benefit claims across the main areas of expenditure and identified 3 errors. As a result of the errors identified a further sample of 120 cases were checked with 3 further errors identified. The total value of the errors identified was £611.00.
- 1.3 With the value of errors extrapolated across the subsidy claim a total adjustment of £25,004 was made with the net effect being an increase of £17,280 in the subsidy to be paid to the Council.
- 1.4 The Revenues and Benefits Service carried out 61,000 benefit assessments during 2016/2017 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 and the council has been the exception in not being qualified in previous years.
- 1.5 The level of adjustment as a result of the audit represents 0.05% of the total grant claim.
- 1.6 The errors founds and planned actions can be summarised as follows:

| Error | Planned action |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Incorrect Classification of Overpayments</u> – this error occurred as a result of an officer wrongly classifying the cause of the overpayment.</p> <p>The customer was not affected.</p> <p><u>Incorrect Calculation of Eligible Rent</u> – this error occurred when an officer entered the incorrect rent. This resulted in the customer being overpaid.</p> <p>The overpayment has been held to be non recoverable.</p> <p><u>Incorrect Classification of Eligible Overpayments</u> – This error occurred as the assessment officer classifying an overpayment as claimant error following notification from HMRC when the customer had already notified the authority of the change.</p> | <p>The assessment team have been given further training on the issues identified and are aware of the correct procedures.</p> <p>The level of quality assurance checks at the point of processing is being temporarily increased to 100% for all similar claims.</p> <p>An increased level of checking will be undertaken in advance of submitting the 2017/2018 grant claim.</p> |

2. AVAILABLE OPTIONS

2.1 The report is provided for information.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 Report is provided for information only.

4. RISK

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

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

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

6. 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 |
| Risk Management | The work undertaken by Grant Thornton provides external assurance to the Council on the effectiveness of its contents around accurate payment and recording of benefit expenditure | Head of Revenues and Benefits |
| Financial | The adjustments outlined will result in net extra income of £17,280. 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 | No Impact | Legal Team |
| Privacy and Data Protection | No Impact | Legal Team |
| Equalities | No Impact | Policy & Information Manager |
| Crime and Disorder | No Impact | Head of Revenues and Benefits |
| Procurement | No Impact | Head of Revenues and Benefits & Section 151 Officer |

7. REPORT APPENDICES

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

- Appendix A: Grant Thornton Qualification Letter
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8. BACKGROUND PAPERS

None.