

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

26 APRIL 2018

REPORT OF THE INTERIM HEAD OF FINANCE

HOUSING BENEFIT SUBSIDY RETURN 2016/17

1. Purpose of Report.

- 1.1 The purpose of the report is to inform the Committee of the checking and training activities that have been undertaken to date, and actions planned for 2018/19 to address the issues identified during the 2016/17 Housing Benefit subsidy audit.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The Housing Benefits Service, which administers Housing Benefits, is a statutory service which supports our disadvantaged citizens.

3. Background.

- 3.1 The 2016/17 subsidy audit identified a number of processing issues which affected the accuracy of the subsidy claim. The main issues were in relation to the recording of rent (increases/services charges) and the treatment of earned income and occupational pensions. Identified errors were immediately corrected with overpayments recovered where permitted by the Housing Benefit regulations, and underpayments paid accordingly.

4. Current situation / proposal.

- 4.1 Steps to address the issues commenced whilst the audit was being undertaken; the following actions have been completed, or are planned for 2018/19, in order to improve accuracy.

4.2 General guidance/training

- 4.3 Benefit Officers have been made aware of the types of errors identified during the audit and the issues are discussed at team meetings. Accuracy is now a standing item on all team meeting agendas [commenced July 2017 – ongoing].
- 4.4 Reminders or guidance is issued to assessors when common errors are encountered or an error type may be replicated by others. Individual assessors correct their own errors; claims are then rechecked. Whilst this has always been the case, the process is more structured as checking has increased [commenced July 2017 – ongoing].
- 4.5 Comprehensive earned income training was completed in March 2018. This training will be on-going throughout 2018/19 via refresher sessions, team meetings and guidance. The March 2018-19 training plan is devised to concentrate on the specific issues identified during the audit (the relevant pages are contained in Appendix 1).

4.6 Identified rent issues

- 4.7 The audit identified that a default service charge figure had been incorrectly used in the Housing Benefit calculation of bed and breakfast cases. In addition to checking and amending any 2016/17 rents, all the 2017/18 rents have been checked for accuracy [March 2018 – April 2018].
- 4.8 To ensure that no further rent increases had been overlooked, the housing association (HA) rents with a commencement date prior to April 2017 were checked with the relevant landlord to confirm that the rent had not changed [October 2017 – on-going].
- 4.9 To ensure that all eligible services were correctly recorded as such, the 2016/17 and 2017/18 service charges for supported accommodation were checked [July 2017 – October 2017].
- 4.10 The 2017/18 HA rent charges were checked during the inputting of the 2018/19 rent increases [February 2018 – April 2018].
- 4.11 Exception reports will be continually monitored post April 2018 to ensure that all HA rent increases have been captured [April 2018 onwards].

4.12 Occupational pensions/earned income

- 4.13 Guidance has been obtained from the DWP to clarify the treatment of salary sacrifice pensions in the Housing Benefit calculations. A salary sacrifice pension is treated differently in the Housing Benefit assessment than a non-salary sacrifice pension. This guidance was disseminated during the earned income training sessions [March 2018] alongside comprehensive training notes, including system screenshots.
- 4.14 Targeted claims checking on 'high risk' earned income claims in addition to routine testing is ongoing [November 2017 – ongoing]. A targeted 10% check on 'lower risk' cases is also in progress; this will be extended if necessary [November 2017 – ongoing].
- 4.15 In addition to the above checks, an accuracy performance indicator has been included in the Finance Service's 2018/19 Business Plan; this plan is corporately monitored quarterly. The outcome of the checking will also be fed-back to Benefit Officers together with details of any issues identified. If a training need is identified, the training plan will be updated accordingly.

4.16 Subsidy checking process

- 4.17 Appendix 2 contains the high-level checking plan that will be undertaken for the 2017/18 subsidy claim. This specifically includes checking subsidy for non-HRA cases and modified schemes. These checks commenced during March 2018 and will be completed by the end of April 2018. Where audit requires an officer to test any extended samples, the initial testing will be examined by a second officer to ensure that all errors (if applicable) are identified.

5. Effect upon Policy Framework & Procedure Rules.

5.1 None.

6. Equality Impact Assessment

6.1 There are no equality implications.

7. Financial Implications.

7.1 Based upon the value of the errors found, as compared to the overall level of expenditure on that type of claim, the auditors calculated an extrapolated error figure of £52,292.

7.2 £46,710 of this expenditure has been reclassified as 'local authority error' and, as the total amount of local authority error is below the lower threshold (0.48% of gross Housing Benefit expenditure), it attracts 100% subsidy (i.e. it does not affect the amount of subsidy already received)

7.3 With regards the remaining £5,582, this is to be recovered from April 2018's interim subsidy installment. The total Housing Benefit subsidy paid to the authority for 2016/17 totaled £49,166,099.

8. Recommendation.

8.1 The Committee is recommended to note the report.

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Background documents

None

6. Identified Training Needs and Requirements for 2018-2019

- Benefit staff refresher courses

Specifically to address issues identified during 2016/17 subsidy audit:

- Back to basics e.g. double checking inputs, checking calculations before accepting
- Use of dates within Benefits
- Income and Capital - particularly pay frequency of earned income, pensions and tax credits
- WURTI

Others:

- Verification and Standards of Evidence
- Overpayments
- Private Rented Sector/Tenancy Types/Payment Schemes
- Fraud awareness

- Individual/group staff training

- Private Tenants
- Clerical processing development

- Designated offices

Porthcawl	Complete	Aberkenfig	Complete
Pyle	Ongoing new staff	Pencoed	Ongoing new staff
Maesteg	Complete		
Ogmore	Complete		

- Verification Framework
- Original Documents
- Document Training
- Photocopying

- Registered Social Landlords

Valleys to Coast	Complete
Hafod	Complete – new staff request Jan 2018
Wales and West	Complete

Refresher training to be arranged

- New Staff

Changes Identified to Date

- Year End
- Benefits Up rating
- Universal Credit Roll Out
- Legislation

