

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 JUNE 2019

REPORT OF THE INTERIM HEAD OF FINANCE

HOUSING BENEFIT SUBSIDY RETURN 2017/18 UPDATE

1. Purpose of Report.

- 1.1 The purpose of the report is to inform the Committee of the changes to the level of management review, housing benefit induction and training activities that have been undertaken to date, and actions planned for 2019/20 to address the issues identified during the 2017/18 Housing Benefit subsidy audit.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:

- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

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

3. Background.

- 3.1 The 2017/18 subsidy audit identified processing issues which affected the accuracy of the subsidy claim, with the main issue being the treatment of earned income. 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 continued whilst the audit was being undertaken; the following actions have been completed, or are planned for 2019/20, in order to further improve accuracy.

4.2 General Housing Benefits induction/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 a standing item on all team meeting agendas.

- 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.

4.5 Comprehensive earned income training was completed by the Benefits Training Officer in March 2018. This training is on-going via refresher sessions, team meetings and guidance. The 2019-20 training plan is devised to concentrate on the specific issues identified during the audit (the relevant pages are contained in **Appendix 1**).

4.6 Earned income

4.7 Guidance was 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.

4.8 During 2018, the DWP introduced the Verify Earning and Pensions (VEP) system which gives local authorities access to check earnings and pensions for Housing Benefit cases. The presentation of data provides greater clarity for staff in determining earned income and pensions.

4.9 Targeted claims checking on 'high risk' earned income claims in addition to routine weekly testing remains ongoing.

4.10 Routine claims checking is continually undertaken by senior staff with cases identified through weekly exception reports and performance checks. In addition, a monthly rolling review of earnings, self-employed earnings and pensions is undertaken.

4.11 In response to an identified issue that may potentially affect a number of cases, an ad-hoc exception report is developed and all cases are checked.

4.12 In addition to the above checks, an accuracy performance indicator was included in the Finance Service's 2018/19 Business Plan and remains for 2019/20. The outcome of the checking is also fed-back to Benefit Officers together with details of any issues identified. If a training need is identified, the training plan is updated accordingly.

4.13 Management Review of Subsidy checking process

4.14 **Appendix 2** contains the high-level checking plan that was undertaken for the 2018/19 subsidy claim. These checks commenced during February 2019 and were completed by the end of April 2019. 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. Wellbeing of Future Generations (Wales) Act 2015

7.1 The well-being goals identified in the Act have been considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial Implications.

8.1 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 £8,333 for the Housing Benefit Subsidy Return 2017-18.

8.2 £5,548 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)

8.3 With regards the remaining £2,785, this was recovered from March 2019 interim subsidy installment. The total Housing Benefit subsidy paid to the authority for 2017/18 totaled £48,556,424.

9. Recommendation.

9.1 The Committee is recommended to note the report.

Gill Lewis
Interim Head of Finance

Contact Officer: Janice Jenkins
Financial Assessments and Benefits Manager

Telephone: (01656) 643504

E-mail: Janice.Jenkins@bridgend.gov.uk

Postal Address: Bridgend County Borough Council,
Civic Offices,
Angel Street,
Bridgend,
CF31 4WB

Background documents

None

6. Identified Training Needs and Requirements for 2019-2020

- Benefit staff refresher courses

Specifically to address issues identified during 2017/18 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
- VEP

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	Complete	Pencoed	Complete
Maesteg	Complete		
Ogmore	Complete		

- Verification Framework
- Original Documents
- Document Training
- Photocopying

- Registered Social Landlords

Valleys to Coast	Complete
Hafod	Complete
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
- Data Protection
- Fraud Awareness

