

## Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	12 <sup>th</sup> September 2017	AGENDA ITEM NUMBER
TITLE:	Housing Benefit Subsidy issues – Corporate Audit Committee	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
<b>List of attachments to this report:</b>		
<b>Appendix 1 – DWP subsidy confirmation Letter</b>		
<b>Appendix 2 – Officers letter to DWP regarding improvements being implemented</b>		

### 1 THE ISSUE

- 1.1 At its previous meeting the Committee received the External Auditors report in relation to the Housing Benefit Subsidy for the year 2015/16, the report picked up a number of errors made and the Committee requested further assurance as to the Council's administrative procedures relating to these issues.

### 2 RECOMMENDATION

Corporate Audit Committee is asked to agree that:

- 2.1 This report is noted.

### 3 FINANCIAL IMPLICATIONS

- 3.1 Housing Benefit is administered by the Council on behalf of the Department For Work & Pensions and a subsidy is repaid to the Council for the support it provides to claimants on low incomes.
- 3.2 In most instances the Council will receive 100% reimbursement from subsidy for the support it pays out to claimants in respect of Rent. However, there are certain instances where this does not apply. In these cases the Council can often recover overpayments and if this is done efficiently it can exceed 100% recovery of total benefit paid out.
- 3.3 The Housing Benefit system continues to increase in complexity at a time when the working age claimants are moving over to Universal Credits. In Bath we are a full site for Universal Credits so we are seeing this change at an accelerated rate.

This coupled with the unprecedented pressure on budgets makes recruitment and retention of skilled Benefit assessors extremely difficult.

- 3.4 To give the subsidy claim some context the Council has administered Housing Benefit payments over recent years as follows:-

<b>Housing Benefit Subsidy By Year £m.</b>		
<b>2017-2018</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Mid-Year Est</b>	<b>Actual</b>	<b>Actual</b>
<b>£38.8</b>	<b>£46.6</b>	<b>£53.1</b>

- 3.5 The Secretary of State proposed to offset the overpaid subsidy of £62,834, referred to by Grant Thornton at the last meeting of the Committee against the under-claimed subsidy of £64,512 and to include a payment of £1,678 in our interim subsidy for March 2017 which they have done. See Appendix 1 which is the final subsidy settlement letter from the DWP.

## **4 CORPORATE PRIORITIES**

- 4.1 This is a statutory function but it is important that the service is delivered efficiently and effectively contributing to the Council's priorities.

## **5 THE REPORT**

- 5.1 As detailed in our letter to DWP shown at Appendix 2, we have implemented a number of safeguards to reduce the risk to subsidy loss through errors.
- 5.2 As a result of issues raised in this audit we have reviewed 2,500 claims between December 2016 & March 2017.
- 5.3 We have increased the checking of individual officers work
- 5.4 We have implemented continuous training throughout the year to cover the areas where mistakes have taken place
- 5.5 A new process has been implemented so claims will now be reviewed within a set period to reduce fraud and error
- 5.6 Whilst the last claim was initially qualified due to the non-availability of old claim information we were able to work with the DWP and prove that these claims were not wrong and this decision was subsequently reversed.

## 6 RISK MANAGEMENT

- 6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 We review Housing Benefit Subsidy on a regular basis and meet with Finance colleagues on a quarterly basis to review our estimates.

## 7 EQUALITIES

- 7.1 Not applicable.

## 8 CONSULTATION

- 8.1 The report was distributed to the S151 Officer for consultation.

<b>Contact person</b>	<i>Ian Savigar (01225 477327)</i>
<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	