

**TO: GOVERNANCE AND AUDIT COMMITTEE
24TH JANUARY 2012**

**UPDATE OF CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT:
HOUSING BENEFIT AND COUNCIL TAX SUBSIDY AND HOUSING BENEFIT
INTERNAL AUDIT REPORT 2010/11**

Director of Environment, Culture and Communities

1 PURPOSE OF DECISION

- 1.1. The purpose of this report is to provide Committee with an update on the progress the Housing and Council Tax Benefit Service has made since last reporting to Governance and Audit Committee in September 2011.

2 RECOMMENDATIONS

- 2.1 That the current performance of the Housing and Council Tax Benefit Service be noted.**

3 REASONS FOR RECOMMENDATIONS

- 3.1. The Governance and Audit Committee considered a report on the Certification of Claims and Returns Annual Report: Housing Benefit and Council Tax Subsidy and Housing Benefit Internal Audit Report 2010/11 at its meeting on the 22nd March and the 28th June. It requested an update on progress against the Action Plans that were proposed in response to the audits be presented to the Committee at its meeting on the 29th September. The Governance and Audit Committee requested a further update at its meeting on the 24th January 2012.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is no alternative to the proposed action.

5 SUPPORTING INFORMATION

- 5.1. Progress against the recommendations made on the Certification of Claims and Returns Annual Report for 2009/10 began in the final quarter of 2010/11. Therefore, the impact of the Action Plan in response to recommendations may conceivably be limited in respect of the 2010/11 audit but it can be expected that the full impact will be found in the 2011/12 audit.
- 5.2. The Housing Benefit and Council Tax Benefit Claim for year ended 31 March 2011 qualification letter was submitted to the Department of Works and Pensions on the 12th December 2011. It is fair to say that the qualification letter portrayed an improved picture from the previous submission. As matter of context it should be remembered that the financial year 2010/11 included the transition from the Pericles to the

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Northgate system. In that financial year there were 26,133 units processed in total and a total of £35.9 million paid in benefit.

- 5.3. The qualification letter found errors in expenditure misclassification, overpaid benefit/miscalculation of weekly income and underpaid benefit where an incorrect start date was used for a claim. These errors crossed housing and council tax benefit. A report will be presented to Governance and Audit Committee by the Audit Commission on the certification of claims and returns at the March meeting.
- 5.4. In this financial year the Benefit Service has been subject to three spot checks of assessment work, with testing being focussed on current cases, and an internal audit follow up of the previous internal audit report. A further audit of all the Action Plans stemming from the previous audits is currently taking place. The last spot check audit will take place in January 2012. A Northgate system post implementation audit reported in August and concluded that the findings were satisfactory and it made three priority three recommendations.

Certification Report and Action Plan and progress on 2009/10 certification claim audit

- 5.5. The certification report and associated Action Plan have been provided with the previous reports and for the sake of brevity are not included with this report. The following paragraphs provide a commentary on progress against the actions where an action had not satisfactorily concluded a recommendation.
- 5.6. The Action Plan recommended urgent action to reduce the level of errors.. As was previously reported the accuracy rate for 2010/11 was 93% and 93% in 2009/10. In 2011/12 to date 15 % of claims have been checked. The accuracy rate for quality is currently running at 93 % but on an upward trajectory in this financial year following resolution of processing errors with staff. Given the level of errors identified to date it will be difficult to achieve an accuracy rate for quality above 95% by year end. The speed of processing is currently at target at an average of 11 days.
- 5.7. The Government subsidy system which finances housing and council tax benefit expenditure accounts for a level of error in processing in financial terms. A threshold is set at 0.48% of the total benefit paid. The Council does not lose any subsidy if the total value of local authority error does not exceed that threshold.
- 5.8. From checking, any errors that lead to a loss of entitlement for a claimant are corrected. Any changes in benefit entitlement or a claim is accompanied by a letter to the claimant explaining the change. This refers claimants to the Council's website for clarification and encourages them to phone if they have any questions.
- 5.9. The Benefit Service management structure has been restructured and came into place from the 10th October. The new structure provides more management resource to check claims and management of assessment staff. Processing is now undertaken on an alphabetic split based on claimant names so that processing staff are more familiar with benefit customers and their requirements as well as ensuring a claim is assessed by the same member of staff from start to finish. This ensures ownership and accountability for processing work.
- 5.10. There was a recommendation that all non-HRA rent rebate expenditure should be reviewed and re-classified where necessary. This has been reviewed and the classification for 2010/11 is now consistent even after taking into account the change between the Pericles and Northgate systems. The subsidy claim for 2010/11 found

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one property where the classification was incorrect although this had no impact on subsidy. The review of classification on the Northgate system has taken place and there is now a process in place between the Housing Options Service and Benefits to ensure the correct classification is used.

- 5.11 Recommendation 4 concerned action to reduce the number of errors calculating earnings. At the time of writing the previous report to the Governance and Audit Committee in September the results of the spot check was awaited. The spot check sampled 28 cases at random in the week commencing 15/8/11. The following observations were made. In one Council Tax Benefit Claim the earnings figure was input at £524.00 where it should have been input at £524.40, this led to an overpayment of benefit of £0.06. For one rent allowance claim incorrect amounts of Child Benefit had been input but this did not impact on benefit entitlement as the applicable amount exceeded income. There were two recommendations,
- There were three cases where claims were assessed correctly but the software had generated errors. It was recommended that after the software fix was implemented in February 2012 the three cases are rechecked to ensure the fix has rectified the errors.
 - It was recommended that checking of cases focused on non-income support cases where the scope for error is greatest. If the target level of checks in terms of percentage was applied to non-income support cases this would reduce the overall level of checking. The checking of claims now concentrates on claims where there is earned income and undertakes a higher percentage of checking of officers where quality falls below target.
- 5.12 Recommendation 5 concerned the need to provide an audit trail on how decisions had been reached on benefit entitlement. Sample checking of work has taken place with staff to ensure the verification check list is completed. The number of verification checks not completed has reduced. So far this year out of claims checked there has been a satisfactory verification checklist in place for 99.12% of checked claims (11 claims out of 1,245 checked did not have a VF checklist completed). This is picked up and addressed with staff at regular supervision meetings.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Nothing to add to report.

6.2. Borough Treasurer

Annual accounts are closed within the department by the first week of May this includes a calculation of the subsidy due based on the classification and amount of allowances paid.

Any subsequent qualification of the Housing Benefit Subsidy Claim by the District Auditor is therefore not reflected in the accounts and has to be reported through budget monitoring.

As stated in the report the authority is aware that any errors in assessment must be kept to a minimum and measures are taken to achieve this in order to eliminate any over claims but also to maximise subsidy.

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The Department for Work and Pensions has the final decision whether to make any adjustments to the claim based on the auditor's qualification letter and representations from the authority.

Equalities Impact Assessment

- 6.3 An Equality Screening Form is included at the end of this report.

Strategic Risk Management Issues

- 6.4 Failure to address the issues contained in the audit may result in the Council losing subsidy for the benefit payments it makes. This report has commented on the progress made in implementing the Action Plan to address those issues.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable.

Method of Consultation

- 7.2 Not applicable.

Representations Received

- 7.3 Not applicable.

Background Papers

Certification of claims and returns annual report Bracknell Forest Council Audit 2009/10
Housing and Council tax draft audit report March 2011

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Equalities Screening Record Form

Date of Screening: 10 June 2011	Directorate: ECC	Section: Benefits
1. Activity to be assessed	Certification of benefit subsidy claim and internal audit housing and council tax benefit part 2.	
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project x Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Shanaz Alam	
5. Who are the members of the EIA team?	Shanaz alam, Rosie Corah	
6. What is the purpose of the activity?	Action Plan to respond to audit findings	
7. Who is the activity designed to benefit/target?	All benefit recipients	
8. a Racial equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	The proposed actions should improve service delivery to all benefit recipients
8. b What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc.	Benefit customers are monitored on a regular basis to assess take up of the benefit services.	
9. a Gender equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	The proposed actions should improve service delivery to all benefit recipients.
9. b What evidence do you have to support this?	Benefit customers are monitored on a regular basis to assess take up of the benefit services	
10. a Disability equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	The proposed actions should improve service delivery to all benefit recipients
10. b What evidence do you have to support this?	Benefit customers are monitored on a regular basis to assess take up of the benefit services	
11. a Age equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	. The proposed actions should improve service delivery to all benefit recipients
11. b What evidence do you have to support this?	Benefit customers are monitored on a regular basis to assess take up of the benefit services	
12. a Religion and belief equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	The proposed actions should improve service delivery to all benefit recipients

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12. b What evidence do you have to support this?	Benefit customers are monitored on a regular basis to assess take up of the benefit services		
13. a Sexual orientation equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y		The proposed actions should improve service delivery to all benefit recipients
13. b What evidence do you have to support this?	Benefit customers are monitored on a regular basis to assess take up of the benefit services		
14. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carer's/ex-offenders) and on promoting good community relations.	The nature of the benefit service is that it is targeted at low income and vulnerable households.		
15. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	The service should generate a positive impact on those households.		
16. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	No		
17. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?		N	
18. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Data collection on all equality groups who receive the benefit service will be improved during 2011/12..		
19. On the basis of sections 7 – 17 above is a full impact assessment required?		N	The Action Plan proposed actions which will improve the general operation of the benefit administration system and there are no specific acts which are directed at any specific group of benefit recipients..
20. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the Action Plan in full, adding more rows as needed.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
Improve collection rate of equality monitoring information.	03/2012	Shanaz alam	Improvement in the percentage
21. Which service, business or work plan will these actions be included in?	Benefit service plan		
22. Have any current actions to address issues for any of the groups or examples of good practice been identified as part of the screening?	None		
23. Chief Officers signature.	Signature:		Date:
24. Which PMR will this screening be reported in?			

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When complete please send to abby.thomas@bracknell-forest.gov.uk for publication on the Council's website.