

**Report for:** Corporate Committee – Monday 8 February 2016

**Item number:** 8

**Title:** Housing Benefit Subsidy: 2014-15 Grant Claim Certificate –  
report on actions taken following external audit of subsidy claim

**Report**

**Authorised by :** Tracie Evans : Chief Operating Officer



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**Ward(s) affected:** Not Applicable

**Report for Key/  
Non Key Decision:** Not Applicable

**1. Describe the issue under consideration**

- 1.1 The external auditors update report to Corporate Committee on Thursday 26 November 2015 highlighted errors in the processing of Housing Benefit and Council Tax Benefit Claims. These errors could impact the amount of subsidy received by the Council, could have a significant impact on Council finances and could have a detrimental impact on the claimant.
- 1.2 This report sets out the key areas of concern raised by the external auditors and shows the action plan being implemented by Officers to address the concerns raised.

**2. Cabinet Member Introduction**

- 2.1 Not Applicable

**3. Recommendations**

- 3.1 That Members note the work now being undertaken by Officers to address the concerns of the external auditors.

**4. Reasons for decision**

- 4.1 Not Applicable

**5. Alternative options considered**

5.1 Not Applicable

## 6. Background information

6.1 The Council administers Housing Benefit for approximately 35,000 claimants and Council Tax Reduction for approximately 29,000 claimants.

6.2 The external auditors highlighted a number of areas of concern following their annual audit of the Councils Grant Claim. The total errors found during their analysis were as follows:

Area of Testing	No. of Errors	Comments
Earnings	55	Increase in number of claims with earnings (2.5% from 2013/14). Claims are more complex with the introduction of welfare reform (more zero hour contracts, variable overtime, more than one job)
Tax Credits	31	Main errors relate to the manual input of one off payments. Errors have reduced from 2013/14 due to increased automation
Self employed earnings	29	Increase in number of claims with earnings (can only compare HRA as this was the only area with errors in both years – up 7.5%). More claims due to welfare reform and push to move customers into work
Occupational Pension	14	Issue only found within rent allowance testing in both years. Number of cases with occupational pensions increased by 12.7% - possibly due to undeclared pensions being identified by RTI
Childcare costs	3	Attention to detail – childcare costs for term time only input for full year, costs taken from Tax Credit letters and no proof requested, lack of documentation to support amounts used
RO decision	3	Attention to detail – meals not deducted from Rent Officer decisions – all claims reviewed and error quantified
Overpayment Classification	2	Dates input incorrectly, significant increase in overpayments created in 2014/15 (up 93.2%) due to RTI
Rent	2	Input as weekly not monthly and no proof requested
Non Dependants	2	Calculation of income and dates within property
Carers Premium	1	Personal status's not removed when Carers Allowance ended - all claims reviewed and error quantified
State Retirement Pension	1	ATLAS/Customer information provided not input (general issue with not looking fully at information provided)

6.3 The Head of Benefits in conjunction with Finance have implemented an action plan to address the concerns raised by the auditors. A summary of the actions taken are as follows:

- Strengthen governance framework to ensure right focus and attention to quality assurance across all levels of the authority including regular reporting of service performance to Quality & Improvement Board
- Enhanced leadership of benefits assessment processes through appointment of Team Leaders who support performance monitoring and adherence to standards; regular monitoring and feedback to staff on individual performance
- Improved training and guidance for staff; specifically in high-risk or complex areas of work
- Re-establishment of focussed quality monitoring; targeting known areas of risk; carryout out random sampling to highlight areas for additional staff training

6.4 Appendix A sets out the detailed action plan – ‘Housing Benefit Subsidy: Quality Assurance Action Plan’.

## 7. Contribution to strategic outcomes

7.1 Not Applicable

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

### 8.1 Finance and Procurement

8.1.1 Not Applicable

### 8.2 Legal

8.2.1 Not Applicable

### 8.3 Equality

8.3.1 Not Applicable

## 9. Use of Appendices

9.1 Appendix A – Detailed Action Plan

## 10. Local Government (Access to Information) Act 1985

10.1 Not Applicable



Appendix A – Housing Benefit Subsidy: Quality Assurance Action Plan

Area	Action Needed / Achieved	Status
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Governance framework to monitor quality now established and overseen by the Quality &amp; Improvement Board</li> <li>• Monthly updates of the progress of quality assurance from the Service to Head of Shared Service Centre, and fed through to the Quality &amp; Improvement Board</li> <li>• Housing Subsidy Financial Quality Monitoring Group meeting held monthly includes updates on quality and includes updates on high risk areas and random checking</li> </ul>	Ongoing
<b>Leadership</b>	<ul style="list-style-type: none"> <li>• 4 Team Leaders have recently been appointed to strengthen leadership within teams. They work directly with Service Officers to guide and support them in operational day to day duties including quality &amp; performance issues</li> <li>• A Training Action Plan is in place for all new Team Leaders to embed a clear process that supports and encourages sound management and drives through high standards of performance</li> <li>• Quality Assurance is now included as a standard item on Service Management Team meeting to ensure the right priority is given to quality, and is scrutinised and challenged as required</li> </ul>	Ongoing
<b>Culture</b>	<ul style="list-style-type: none"> <li>• Clear and consistent communication to all staff of the standards expected of them and drive for continuous improvement</li> <li>• Clear process established for the recognition and reward of good practice; consistent follow through and consequences for poor performance including providing additional training, development or invoke capability proceedings</li> <li>• Monthly Performance &amp; Quality Reports sent out by Head of Service recognising improved performance and areas for action</li> </ul>	Monthly

<b>Service Structure &amp; Staff Knowledge and Skills</b>	<ul style="list-style-type: none"> <li>• Complete review of Benefits structure to ensure service fit for purpose</li> <li>• Consolidation of Policies &amp; Procedures for Earned Income, Child Care Costs and Private Pensions to ensure there is a dedicated resource that is focusing on updating guidance and procedure notes for staff, all supplemented by a series of quick guides/tips for staff within the new intranet pages and Fuse system</li> <li>• Develop a comprehensive Training &amp; Development Plan for all Benefits Staff which identifies skills and knowledge gaps and options for training</li> <li>• Training Plan to pick up wider aspects of working practices to increase staff awareness of the standards expected of them (supporting decisions made, audit trails / notes etc)</li> <li>• Set up a quick win/briefing session on most common types of errors</li> <li>• Subsidy training will be set up for all Team Leaders</li> </ul>	To be completed by end of March 16
<b>Quality Assurance Process: Management &amp; Knowledge &amp; Skills</b>	<ul style="list-style-type: none"> <li>• Focussed and targeted quality checking programme implemented including sampling of key risk areas and random sampling</li> <li>• Review of resourcing within teams which will be based on an assessment of the work required and detailed analysis. It will be facilitated by a recruitment process</li> <li>• More robust Quality Assurance monitoring process implemented with weekly updates now provided by Business Support Service Manager to the Head of Service with a monthly update to the Housing Subsidy Financial Quality Monitoring Group</li> <li>• Recruitment of QA staff recognising the importance of having right knowledge / skills within the team - an understanding of good practice in supporting / recording work, the impact on subsidy claims of errors and sufficient benefits knowledge to ensuring robust processes of scrutiny and challenge</li> <li>• Develop robust management information at all levels to ensure quality can be assured across the Benefits service</li> </ul>	To be completed by end of February 16