



Report for:	Corporate Committee 27 th September 2011	Item number	
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Title:	Progress on the work undertaken in Benefits and Local Taxation to reduce the rates of error in benefits claim processing. To update on progress of the 2010/2011 Housing Benefit Grant Claim Audit (BEN 01)
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Report authorised by :	Julie Parker – Director of Corporate Resources
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Lead Officer:	Ian Biggadike – Deputy Head of Benefits and Local Taxation 020 8489 1939 ian.biggadike@haringey.gov.uk
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Ward(s) affected: N/A	Report for Key/Non Key Decision: For information
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1. Describe the issue under consideration

The following report updates on the progress of the work undertaken in Benefits and Local Taxation to reduce error rates in benefit claim calculations and to give assurance to Members that financial risks to the Council in the reclaim of Housing and Council Tax Benefit are eliminated.

2. Cabinet Member Introduction

N/A

3. Recommendations



That Members consider and note the contents of this report and the work being carried out in Benefits and Local Taxation in relation to Quality Assurance.

4. Other options considered

N/A

5. Background information

Following the outcome of the 2009/2010 Grant Thornton Housing and Council Tax Benefit Subsidy Audit (BEN01) and the subsequent discussion at Corporate Committee Meeting of 20th June 2011, Members requested an update report to highlight the endeavours being undertaken to reduce the rate of error in benefit claims processing as well as information on the cost of Quality Assurance work, when compared to the financial risk of not undertaking such work.

This report updates Members on the progress of Quality Assurance measures in place and informs of current progress of the 2010/2011 Housing and Council Tax Benefit audit (BEN01), which has shown much improvement from the previous year and gives assurance that the measures put in place have been productive.

6. Comments of the Chief Financial Officer and financial Implications

The Director of Corporate Resources notes the contents of this report and confirms that there are no additional cost implications with regard to quality assurance work undertaken in Benefits and Local Taxation.

The risk to subsidy remains whilst threshold levels are used to calculate subsidy repayments. It is therefore vital that LA error overpayments continue to be monitored on a regular basis so that action may be taken immediately to minimise any subsidy risk.

There is also a further risk that errors may be identified during the subsidy claim audit that results in LA error overpayments being extrapolated and thus taking us above the thresholds. The robust measures currently in place that provide quality assurance will help to minimise any potential subsidy losses.

7. Head of Legal Services and Legal Implications



The Head of Legal Services has been consulted in the preparation of this report and advises that there are no specific legal implications which arise out of the contents

8. Equalities and Community Cohesion Comments

As this is an information report, there is not a requirement to complete an equalities impact assessment and there are no equalities implications

9. Head of Procurement Comments

N/A.

10. Policy Implications

None

11. Use of Appendices

None.

12. Local Government (Access to Information) Act 1985

Grant Thornton Report: London Borough of Haringey Certification Work Report 2009/2010 – Corporate Committee 20th June 2011

1. Quality Assurance Update

Following on from the HB COUNT audit of the 2009/2010 benefit subsidy claim, a robust strategy for data quality assurance was put in place.

Errors and issues identified in both the 2008/2009 and 2009/2010 audits have been addressed and ongoing proactive work continues to take place to minimise assessment errors.

Earned income claims are still considered to be a high risk area due to the nature of the claims and the inconsistency of payslips submitted by claimants. All earned income benefit assessments continue to be checked by a Quality Assurance Officer before benefit is paid to the claimant. This ensures that the claims are 'right first time' and potential overpayments of benefit to a claimant are minimised.



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The Quality Compliance Team continue to check between 4-10% of all benefit assessments on a random selection basis and any errors are fed back to staff for correction.

Local Authority Error overpayments are robustly monitored on a monthly basis to minimise the risk of subsidy being withheld by the DWP.

On 5/9/11 Internal Audit commenced a HB COUNT audit of claims that have been assessed in 2011/2012 as part of the quality strategy. This audit is undertaken using the exact specifications of the HB COUNT audit undertaken by Grant Thornton on behalf of the DWP. Results are not yet available, however any areas identified as potential financial risk to the Council or potential underpayment of benefit to Haringey residents will be immediately addressed. 100% of any error type identified as significant across many claims will all be reviewed and any isolated errors on individual claims will be corrected.

Cost of Quality Assurance Work

Key information important to Members was the cost of the remedial action being taken by Officers to limit benefit claim errors and whether this was a higher cost than the benefit to be accrued by the Council.

Priority has been given to the quality assurance work within BLT in order to minimise potential subsidy losses. No additional staff have been recruited to undertake this work. The service has simply prioritised the key objectives of Senior Assessors on the Benefit Processing Teams. Senior Assessors have been moved from the individual teams and have been brought together to form a Quality Assurance Team where QA work can be robustly controlled.

Where errors need to be corrected by Officers, this is of course classed as a cost to the Council in terms of non value adding rework, however the cost of this is insignificant when compared to the financial risk to the Council should Local Authority Error overpayments breach the upper threshold. A breach of the upper threshold would potentially cost the Council £1.6m. The Council is not at risk of breaching this threshold as measures are in place to ensure this is robustly controlled.

Update on the HB COUNT Audit of 2010/2011 HB/CTB Subsidy Claim

The 2010/2011 subsidy audit is still in progress but early indications are very positive. As at September 2011, 60% of the 80 benefit claims selected to be audited have been checked and no errors have been identified.

Caution must still be exercised with this audit, as errors could yet be identified in the remaining 40% of claims that need to be checked, but this is a positive result



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so far and indicates that progress has been made and the actions that have been put in place are proving to be successful.