



**Haringey Council**

<b>Briefing for:</b>	<b>Corporate Committee</b> 22 <sup>nd</sup> June 2015
<b>Title:</b>	<b>High priority recommendation regarding the qualification of Housing Benefit claim</b>
<b>Report authorised by:</b>	<b>Sergio Sgambellone</b> Assistant Director for Customer Services
<b>Lead Officers:</b>	<b>Amelia Hadjimichael</b> Acting Assistant Head of Revenues, Benefits and Customer Services (RBCS)

## 1. Purpose

- 1.1 The external auditor's report was discussed at the Corporate Committee meeting of 29 January 2015. They have reviewed management's response to the high priority recommendations given the qualification of the Housing Benefits claim.
- 1.2 The purpose of this report is to address the points raised by the Auditors regarding a) the high numbers of errors and b) that despite various actions, year on year the number of errors do not seem to be reducing.
- 1.3 This briefing note outlines the actions undertaken since the Audit report by the Service and aims to provide confidence to Members about our new approach and determination to improve quickly.

## 2. Background

- 2.1 We administer Housing Benefit for approximately 40,000 claimants and Council Tax Reduction for approximately 36,000 claimants. Our changes in circumstances average 3 changes per annum per case. The service averages between 19,000 – 21,000 assessments per annum for new claims and change events.



### 3. Summary

- 3.1 The auditor's report of 27 November 2014 has qualified our 2013/14 Housing Benefit final subsidy claim. The auditor has have given us the opportunity to address the shortcomings identified in the report before qualifying the audit certificate.
- 3.2 The service has been given an opportunity to provide the necessary information to support our claim.

<b>Area of testing</b>	<b>Number of cases checked</b>	<b>Number of errors</b>	<b>Percentage of errors</b>
Child tax credits	180	12	6.7%
Working tax credits	60	2	3.3%
Earned income	180	31	17.2%
Childcare costs	120	5	4.2%
Capital	60	1	1.7%
Eligible overpayments	120	9	7.5%
Other	300	15	5%
<b>Total</b>	<b>1,020</b>	<b>75</b>	<b>7.4%</b>

### 4. Key issues

- 4.1 The audit report highlighted two key areas, misstated childcare costs and overpaid benefit/miscalculation of earned income.
- 4.2 Quality Monitoring processes were limited by
- Resource availability
  - Welfare Reform changes
  - Service demand
- 4.3 Quality monitoring work has continued within benefits although resource availability has been limited due to several transformation initiatives (Customer Services Transformation and Business Infrastructure Programmes amongst all) which required the redeployment of operational resources.
- 4.4 The Quality Assurance Staff is part of the Business Support team for Revenues, Benefits and Customer Services. This team are required to support the entire service and their priorities are impacted by the service as a whole. This has meant that training availability has been restricted and high demands on the service such as high call volumes to Customer Services, was limiting capacity to match demand.
- 4.5 In previous years the quality checking processes focussed on quality more than accuracy. Essentially this meant than we were carrying out legislative checking as opposed to focussing on the financial implications.
- 4.6 This has now changed and in line with audit requirements and recommendations, our focus is heavily weighted on the financial integrity of the Housing Benefit claim.



## 5. Actions

- 5.1 Since the Audit report was issued we have initiated a series of interventions, undertaken through Quality Control and Compliance measures, to remedy and mitigate the possibility of future subsidy losses.
- 5.2 We have conducted a detailed analysis of the report to establish key points of failure and conducted a complete training needs analysis of all assessment staff. This has led to the following actions being put in place.
  - 5.2.1 A full training package has been delivered to all Benefit Officers during February 2015 based on audit failings against earned incomes. The training has addressed the ramifications of errors leading to financial penalties against the Council.
  - 5.2.2 Comprehensive guidance notes on earned income have been written, distributed and delivered through workshops, and are now available on the HB Resources page on the Intranet as a source of reference to all staff.
  - 5.2.3 The management of the staff conducting quality checks has changed and is now fully under the control of the Benefit Processing team. This is resulting in a more cohesive approach to QA to include subsidy requirements and immediate identification and correction of any errors. This is closely monitored by managers and addressed in performance management meetings.
  - 5.2.4 Following on from the audit report, we have also reviewed the resources available for QA checking and have expanded the team by amalgamating with similar skill sets within the service. This will deliver a larger percentage of checks during the post training period to ensure future errors are reducing. We will review the resourcing levels and the QA results and adjust the team as necessary.
- 5.3 Post training procedures have been put in place to analyse the quality outputs weekly, defining expectation of results and remedial follow up actions on an individual basis so that low performance in this area is addressed promptly and fairly. This more stringent performance monitoring approach will be implemented in accordance with corporate policy.
- 5.4 We are confident that the above changes and interventions will enable to address a longstanding issue and we will be constantly monitoring the impact of our initiatives, capture learning of what works best and reviewing what doesn't.



## **6 Chief Financial Officer Comments**

- 6.1 Finance officers have continued to work closely over the last year with the Benefits Service to ensure an increased awareness of the Subsidy implications of errors made by assessment staff, and the remedial steps necessary to minimise these. The implications of these errors are potentially significant in financial terms and have involved the government in reducing the payment made to the Council in previous years. Finance staff have been kept abreast of and have supported the enhanced measures introduced by the Service to address the issues raised in the Audit Qualification.
- 6.2 The improvements to the quality assurance activities, in terms of its management and the detailed operation, together with the strengthening of the training and performance management of staff, all with a greater focus on the areas of highest financial risk, should enable issues to be identified at an earlier point and action taken to prevent these re-occurring in the future.
- 6.3 Whilst we agree that these measures, if operated as expected, should reduce the financial penalties incurred by the Authority, the full impact is unlikely to be seen in the 2014-15 Grant Claim audit year (given the natural time lag of the external audit), and could be most apparent for 2015-16 onwards. We are satisfied that the measures introduced have been built into the organisational changes planned as part of the service Transformation Programme and are therefore in line with the budget expectations placed upon them.

## **7 Assistant Director of Corporate Governance Comments**

- 7.1 The Assistant Director of Corporate Governance has been consulted in the Preparation of this report and confirms that there are no legal implications.