

Committee: Governance, Audit and Performance Committee

Date: Tuesday, 28 September 2021

Title: Housing Benefit Subsidy Audit 2019/20

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Summary

1. The 2019/20 Housing Benefit (HB) Auditor-Certified Subsidy Claim was submitted to the Department for Work and Pensions (DWP) by BDO LLP on the 3rd June 2021.
2. The 2019/20 subsidy claim consisted of 225 cells and a total claim value of £12,206,302.
3. Since 2013/14, post audit financial penalties have reduced from £192,633 to £0.00.

Recommendations

4. None, this is an information only report.

Financial Implications

5. None, this is an information only report.

Background Papers

6. None.

Impact

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Local Authority (LA) Error/Admin Delay (AD)

7. The LA Error/AD initiative enables LA's to maximise subsidy according to the level of their LA Error/AD overpayments. The level of subsidy that LAs can claim for these overpayments is determined by thresholds, expressed as a percentage, of total correct Housing Benefit (HB) payments. The thresholds are:

- Lower threshold 0.48%
- Upper threshold 0.54%

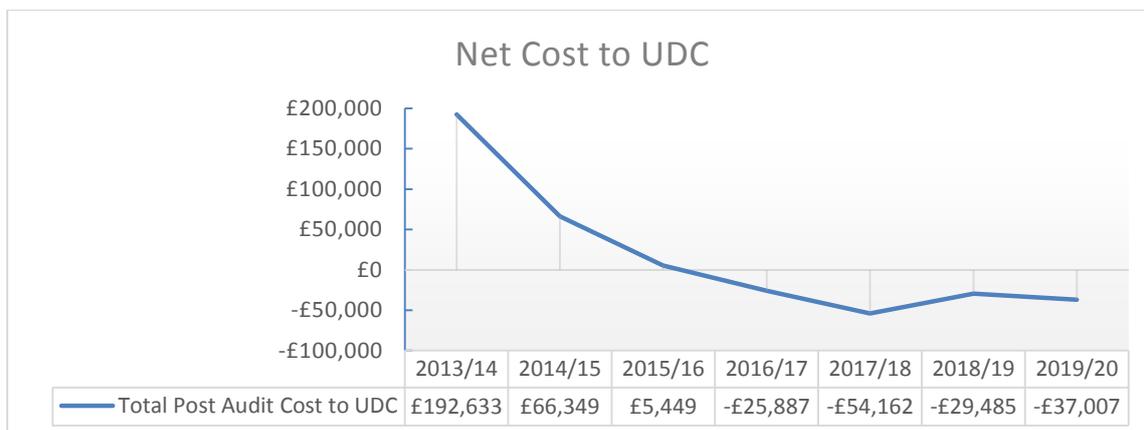
When the total LA Error/AD overpayment figures are less than or equal to 0.48% of total expenditure, the subsidy rate that can be claimed by the LA relative to these overpayments is 100%. If the overpayment amounts are greater than 0.48% but less than 0.54%, a reduced subsidy rate of 40% can be claimed. If the overpayments equate to over 0.54%, no subsidy can be claimed.

8. As a result of improvements made to the accuracy of HB processing over the past few years, LA Error/AD overpayments during 2019/20 equated to only £37,007.

9. UDC's 0.48% threshold for 2019/20 was £57,541 meaning 100% of the £37,007 has therefore been retained.

10. Since 2013/14, post audit net subsidy income has improved by £229,640 as shown in the table below and the following graph.

Year	Extrapolation cost	Positive Adjustments	LA Error/Admin Delay Subsidy	Total Post Audit Cost to UDC
2013/14	£192,633	£0	£0	£192,633
2014/15	£66,349	£0	£0	£66,349
2015/16	£8,712	-£3,263	£0	£5,449
2016/17	£19,454	-£883	-£44,458	-£25,887
2017/18	£980	£0	-£55,142	-£54,162
2018/19	£0	-£131	-£29,354	-£29,485
2019/20	£0	£0	-£37,007	-£37,007



11. The benefits team will continue to address LA Error/AD delay overpayments and ensure further improvements in the accuracy of processing are put in place where necessary.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
The quality and accuracy of the benefit team deteriorates and/or improvements in accuracy are not achieved.	2 - Difficulty in recruiting/retaining experienced assessment officers have resulted in a relatively new/inexperienced team. Training programmes and subsidy/quality checking processes in place but new staff still pose a greater risk of error.	3 – The identification of small financial errors can result in large extrapolated values.	Permanent Subsidy Officer. Subsidy maximisation and high risk areas of assessment are now being targeted as part of this post.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.