

EAST RENFREWSHIRE COUNCILAUDIT AND SCRUTINY COMMITTEE9 November 2017Report by ClerkNATIONAL EXTERNAL AUDIT REPORTHOUSING BENEFIT PERFORMANCE AUDIT ANNUAL UPDATE 2016/17**PURPOSE OF REPORT**

1. To provide information on the Audit Scotland report *Housing Benefit Performance Audit Annual Update 2016/17*.

**RECOMMENDATION**

2. It is recommended that the Committee considers the report.

**BACKGROUND**

3. A copy of the Audit Scotland report *Housing Benefit Performance Audit Annual Update 2016/17*, published in June, has already been circulated to all Audit and Scrutiny Committee Members. The Members of the Committee who are leading the review of this particular report are Councillor Aitken and Councillor Macdonald. The Head of Business Change and Revenues has provided comments on it and a copy of the feedback provided is attached (see Appendix).

**RECOMMENDATION**

4. It is recommended that the Committee considers the report.

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Report Author: Linda Hutchison, Clerk to the Committee (Tel No. 0141 577 8388)  
e-mail: [linda.hutchison@eastrenfrewshire.gov.uk](mailto:linda.hutchison@eastrenfrewshire.gov.uk)

Background Papers:-

1. Audit Scotland report: *Housing Benefit Performance Audit Annual Update 2016/17*

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National External Audit ReportHousing Benefit Performance Audit - Annual Update 2016/17Comments for Audit & Scrutiny Committee on 9 November 2017Prepared by Head of Business Change Services & RevenuesOctober 2017**INTRODUCTION**

1. This paper aims to provide high level comments on the Council's position regarding the National External Audit Report: Housing Benefit Performance Audit Annual Update 2016/17

**BACKGROUND**

2. Each year Audit Scotland produces a national update on its Housing Benefit Performance Audit. To produce this overview, Audit Scotland undertakes a Housing Benefit risk assessment in each council every two years. There is a follow-up on the resulting individual council action plans in the interim year. East Renfrewshire Council participated in a risk assessment in July 2016, having previously been covered in 2014 – the results were reported to Audit and Scrutiny Committee in November 2016.

3. The purpose of today's paper is to provide the Audit and Scrutiny Committee with comments on this year's national annual report and, in particular, provide context for the Council's performance on the administration of Housing Benefit.

**COMMENTS**Benefit Performance Audit Annual Update 2016/17

4. The national report draws conclusions from the 8 risk assessments carried out in councils in 2016/17, which identified 18 risks. It also highlights that 80% of risks identified the previous year (2015/16) had been dealt with either fully or partially.

5. East Renfrewshire's own action plan from the 2016/17 audit comprised 3 new risk areas and the 3 areas outstanding from the previous risk assessment. These included:

- Reviewing deployment of management checking procedures

*2017 Action Plan update - routine checking of work is being undertaken. Team leader records all information for analysis and this has been recently reviewed by External Audit. A restructuring of the team is currently underway and this responsibility will be shared more widely amongst experienced staff.*

- Reviewing our approach to intervention activity to allow us to better determine outcomes

*2017 Action Plan update – the Housing Benefit team has signed up to the HMRC's optional Real Time Information system which gives live updates on those currently in employment. This is giving us up to date information which can be used to take action on benefit cases*

which no longer seem appropriate. A review of pension age claimants is still ongoing and an analysis of this intervention will be carried out and this will inform future strategy.

- Improving overpayment recovery and the information provided to senior management in this regard.

*Action Plan update - The debt recovery team have been set targets to achieve a certain level of collection in this area. This performance is being monitored monthly. As part of our focus on this area of work, temporary additional resource has been allocated to this area and an external review carried out in recent months to inform improvements to processes. There has also been a complex data project associated with reviewing our Housing Benefit Overpayments caseload, whereby Experian were commissioned to carry out a data match to advise us on propensity to pay. This will allow us to take targeted recovery action, whilst still protecting the most vulnerable in our local area. Scottish Index of Multiple Deprivation (SIMD) data has also been added to allow a more complete analysis of socio economic factors and to ensure that we target debt recovery in line with our strategic anti-poverty commitments.*

6. East Renfrewshire Council will move towards Universal Credit full service in the summer of 2018 which will result in a reduction in the overall Housing Benefit caseload, which is currently 3,500 from a high of 4,000 cases in March 2013. Once the transition to full service UC commences in July 2018, although this will impact on the Housing Benefit caseload, migration for working-age claimants is not planned for completion until 2022 and there are no plans to begin the incorporation of Housing Benefit for pensioners until completion of the UC timetable so work in this area will continue for the foreseeable future. We will continue to monitor the impact of UC on HB caseload.

7. Housing Benefit fraud investigation liaison arrangements with the local DWP Fraud & Error Service (FES) are well established and we have an officer who liaises closely with FES on matters relating to Housing Benefit Fraud and investigation, referring cases over £2,000 for prosecution by the procurator fiscal and/or the imposition of an administration penalty. This was covered in more detail in a report to Audit and Scrutiny in April 2017.

## CONCLUSIONS

8. Despite ongoing changes with welfare reform, the DWP has confirmed that Housing Benefit will remain a key service for councils to deliver well into the next decade.

9. In our 2016/17 audit, the auditors concluded that “the council demonstrates an awareness of what constitutes an effective, efficient and secure benefit service”, and identified a small number of improvement actions which have been taken forward during the year. These are in line with national issues common to many councils.

10. East Renfrewshire has not been asked by Audit Scotland to provide an update report in 2017, although Revenues management have reviewed the action plan in April 2017 and again in August 2017 and report that progress has been satisfactory. We expect Audit Scotland to carry out their next routine audit in 2018.

Comments from:-

Steven Skelly, Revenues & Business Support Manager and Louise Pringle, Head of Business Change & Revenues, 8 October 2017

**BACKGROUND REPORTS**

- National External Audit Report: Housing Benefit Performance Audit Annual Update 2016/17, Audit Scotland 2017
- National External Audit Report – Housing Benefit Fraud Investigation Liaison Arrangements in Scotland, Audit & Scrutiny Committee 6 April 2017
- National & Local External Audit Reports – Benefits Performance Audit Annual Update 2015/16 and Audit of Housing Benefit and Associated Risk Assessment Report, Audit & Scrutiny Committee 10 November 2016
- National External Audit Reports – Benefits Performance Audit Annual Update 2014/15 and Review of Activity to Reduce Fraud and Error in Housing Benefit, Audit & Scrutiny Committee 21 January 2016

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