

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

18 March 2021

Report by Clerk

NATIONAL EXTERNAL AUDIT REPORT – HOUSING BENEFIT PERFORMANCE AUDIT:
ANNUAL UPDATE 2020

PURPOSE OF REPORT

1. To provide information on the Audit Scotland report *Housing Benefit Performance Audit: Annual Update 2020*.

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 2020](#), published in December 2020, has already been circulated to all Audit and Scrutiny Committee Members. Under the Committee's specialisation arrangements, the Members leading the review of this particular report are Councillor Swift and Councillor McLean. The Head of Communities, Revenues and Change has provided comments on that report and a copy of those comments is attached (see Appendix) .

RECOMMENDATION

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

Local Government Access to Information Act 1985

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

Background Papers:-

1. Audit Scotland Report – *Housing Benefit Performance Audit: Annual Update 2020*.

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External Audit Report – Housing Benefits

Comments for Audit & Scrutiny Committee on 18 March 2021

Prepared by Head of Communities, Revenues & Change and Senior Revenues Manager

March 2021

INTRODUCTION

1. This paper aims to provide high level comments on the Council's position regarding the External Audit report on the topic of Housing Benefits, the annual national update by Audit Scotland ([Housing Benefit Performance Audit Annual Update 2020](#)).

BACKGROUND

2. As one of the smallest Housing Benefit services in Scotland, with an annual caseload of around 2,900, we have been planning for the gradual phasing out of Housing Benefit (HB) as a result of the implementation of Universal Credit. There is an eventual national goal to retain only those of pension age and a few complex or specific cases on HB post Universal Credit (UC). National delays in UC implementation have made the planning of resources in recent years a particular challenge.

3. 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 based on a number of factors, including the Department for Work and Pension's (DWP) most recent published speed of processing performance statistics.

4. The purpose of this paper is to provide the Audit and Scrutiny Committee with comments on the 2020 national annual report and, to update the Committee on progress within East Renfrewshire Council's Housing Benefit Service.

COMMENTS

Housing Benefit Performance Audit Annual Update 2020

5. The Annual Update explains that the focus has moved to thematic reviews while continuing a smaller programme of work on assessing risk at individual councils. An audit of one council was carried out, a desktop assessment of one council and a thematic review on HB Overpayments was issued in December 2020. The thematic review work was delayed due to the Covid 19 pandemic.

6. The thematic review of Housing Benefit Overpayments stated that HB Overpayments have increased by 20% from £127m in 2015/16 to £152m in 2018/19 with the continued roll out of Universal Credit impacting councils' recovery options. Only a quarter of councils are reporting improved recovery with a lower uptake on the Housing Benefit Debt Service (HBDS) than the rest of the UK. 5 improvements were identified by Audit Scotland, with East Renfrewshire Council highlighted for good practice, where a review of ongoing deductions provided an increased recovery of £42,000 in 2017/18.

7. Measures / policy changes implemented by the DWP due to Covid 19 were as follows:
a) Suspend Housing Benefit Debt service from April 2020

- b) Suspend Universal Credit Managed migration pilot in Harrogate
- c) Extend the date for the Universal Credit migration from December 2023 to September 2024
- d) Suspend the recovery of HB Overpayments from DWP benefits from April to June 2020

East Renfrewshire Council – Update on Progress

8. As reported in the 2020 update East Renfrewshire continue to make good progress in the key Housing Benefit performance indicators, with the End to End review, initiated in 2018/19 by the Senior Revenues Manager, delivering enhanced results. Speed of processing times have improved with ERC now ranking 13th in Scotland for new Housing Benefit/Council Tax Reduction claims (22nd previously) and 11th for change of circumstance for Housing Benefit/Council Tax Reduction (13th previously). Accuracy remains at 0.16%, with ERC now ranking 20th (previously 14th). A new compliance resource has now been appointed, whose focus will be on making improvements in this area. Housing Benefit Overpayment recovery improved by 48% for in year recovery (now 105%) and total recovery is fairly static at 14%.

9. Phase 1 of the new Council Tax & Benefits system was successfully implemented in December 2020, which will continue to drive modernisation, automation, process improvement and change in this area. It is anticipated that some of the indicators will show a dip for 2020/21, reflecting processing delays while the system was implemented and embedded and recognising ongoing challenges faced from Covid 19.

10. Various actions are underway to recover the historic HB Overpayment debt. East Renfrewshire make use of the Department of Work and Pension's Housing Benefit Debt Service. As with other councils, debt recovery was suspended from March to July 2020 due to the Covid 19 pandemic, to ensure that vulnerable residents within the community were supported. This is resulting in reduced collection levels in 2020/21, which will impact the good progress made with these performance figures, however we expect other councils to be in similar situations so we will have to see what impact there is on the overall performance rankings.

11. Historic HB Overpayment data and processes are being reviewed as part of the implementation of the new Council Tax and Benefits system in 2020/21, with all new HB Overpayments being recovered through the new system. The Debt Recovery Policy will also be reviewed to ensure it is fit for purpose and this will be brought to Cabinet at a suitable time.

CONCLUSIONS

12. Benefits is a complex and frequently-changing area, with a nationally driven landscape and a range of different agencies involved. National delays in UC implementation have meant maintenance of HB caseloads for far longer than predicted. Against a background of reducing DWP funding, wider pressures on council budgets and with the challenges brought by Covid 19 this continues to be a challenging time for service delivery. Audit Scotland's annual report highlights that this is the picture across the country and its thematic review highlights the ongoing challenge of recovering Housing Benefit Overpayments.

13. East Renfrewshire Council has a firm action plan in place, which is delivering results and we continue to be committed to continuous improvement and high degrees of accuracy. The current Covid 19 pandemic will clearly have some impact on the performance results during 2020/21, however we continue to strive to improve. The successful implementation of the new Council Tax and Benefits system in 2020/21 will ensure that these improvements are

embedded, supported by up to date technology, to allow East Renfrewshire Benefits teams to continue to deliver improved performance and customer/residents expectations.

BACKGROUND REPORTS

- National External Audit Report – Housing Benefit Performance Audit Annual Update 2020
- National External Audit Report - Housing Benefit Overpayments in Scotland – A thematic study December 2020
- Audit and Scrutiny Committee Report - Local external audit report on Housing Benefit Performance Audit risk assessment, June 2020

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