

AUDIT SCOTLAND'S ANNUAL UPDATE 2016/17 ON HOUSING BENEFIT PERFORMANCE

1.0 INTRODUCTION

1.1 Audit Scotland recently published their annual update on Housing Benefit performance audit work in 2016/17. Eight reports were issued to councils identifying 18 risks to continuous improvement. A number of key messages have been identified which are relevant to all councils. The report also highlights key findings from a thematic review of housing benefit fraud investigation liaison arrangements in Scotland published in January. It notes that Universal Credit roll out is proceeding, and that the newly devolved social security powers to the Scottish Parliament will see discretionary housing payments and the Scottish Welfare Fund continuing to be delivered by local authorities.

2.0 RECOMMENDATIONS

2.1 The key messages from the performance audits in 2016/17 detailed below are noted along with the findings from the review of housing benefit fraud investigation liaison arrangements, early experiences of Universal Credit Full Service, and plans for future devolved benefits.

3.0 DETAIL

3.1 Local Authorities in Great Britain have a duty to administer Housing Benefit to their citizens under statute on behalf of the Department of Works and Pensions (DWP). In Scotland, Audit Scotland is responsible for carrying out performance audits on the administration of housing benefit by local authorities. This is in addition to their annual audits of Housing Benefit subsidy claims made by Councils for reimbursement of Housing benefit payments made to claimants. This council was last subject to a performance audit in July 2014.

3.2 It is important to analyse key messages from the annual reports published by Audit Scotland to ensure that the Council is well placed for future audits. The full report is attached at Appendix 1. The key messages are summarised below.

Performance audits

3.3 The main risks identified by Audit Scotland during 2016/17 were management accuracy checking, business planning and performance reporting, and interventions activity as follows:

- Management accuracy checking was an issue for 5 Councils. The level of analysis carried out on the outcomes was insufficient to inform a risk-based approach to checking and training programmes;
 - In 3 Councils they found that targets were not set for all aspects of the benefit service. Therefore holistic performance was not being reported to senior management and elected members.
 - Interventions were an issue in 4 Councils. Outcomes were not recorded and analysed in sufficient detail to allow the service to determine the effectiveness of their approach.
- 3.4 Our Benefits Service launched a new Management Checking Protocol in April 2016 that provides assurance on the integrity and security of benefit payments, compliance with legislative requirements and council policy and the quality of the business processes. The checking helps to identify opportunities for continuous improvement and weaknesses in staff performance that might inform individual training and development needs. Detailed analysis is undertaken by our quality assurance (QA) officer.
- 3.5 We have targets set for all aspects of Benefits performance along with appropriate benchmarks to show how we are doing. This is reported via the Pyramid system and key aspects are reported to Members via our Policy Lead reports and via review of performance, historically through the Performance, Review and Scrutiny Committee, and in future through Policy & Resources Committee. Performance is also regularly reviewed at departmental and service management team meetings.
- 3.6 All of our interventions are run as projects and each is backed up by statistical analysis of the impact to allow the service to determine the effectiveness of the approach. The QA officer carries out this work and it is then reported at the Benefit Management Team.
- 3.7 The Service therefore believes that it is reasonably well positioned in relation to the 3 types of risk identified.
- Other work carried out by Audit Scotland
- 3.8 The report also refers to the report published by Accounts Commission on 19 January 2017 on housing benefit fraud investigation liaison arrangements in Scotland. The report identified that, despite some significant issues, DWP and local authorities were committed to delivering process improvements and to implementing a structured and regular approach to local liaison. The responsibility for housing benefit counter fraud work transferred to DWP's Fraud and Error Service (FES) and two out of our three fraud staff TUPE'd across on 1 October 2015. The Council created a small corporate counter fraud to pick up residual responsibilities for counter fraud and this team of 2 people also act as the single point of contact (SPOC) for FES. The funding from DWP for this is £1,800 for 2017/18, reduced from £2,566 in 2016/17.

3.9 The council has referred 15 cases to DWP through the SPOC since 1 October 2015. Fewer cases are referred than we used to handle in house. DWP's minimum case value is £2,000 compared to our previous in-house threshold of £750. There is very little incentive to make referrals. When referrals are made, each one is individually very time consuming – lots of forms have to be completed. With little funding for this work, there is only limited resource to do this. The SLA targets are not monitored, and no management information is exchanged. Recently a new West of Scotland area review group has been set up involving FES and 9 Local authorities to discuss the processes and propose changes and amendments. The first meeting was in November in Helensburgh, hosted by us. This group can escalate issues to the higher level national forum referred to in the report.

Universal Credit roll out

3.10 Audit Scotland notes that the roll out of Universal Credit (UC) is continuing and all councils now have some local residents claiming UC. The Housing Benefit caseload is falling as a direct consequence. UC Full Digital Service is in place in just a few councils and full rollout is expected to complete by September 2018. Those councils where it is already in place report a detrimental effect on the collection of housing rental income and that it becomes more difficult to recover any outstanding overpayments of housing benefit as such deductions rank lower. Full Service is due to be implemented for Argyll and Bute in May 2018. DWP has agreed to commence detailed planning later this summer.

Scottish Social security

3.11 The Scotland Act 2016 devolves a number of areas of social security to Scotland. Most will be delivered directly by the Scottish Government's new social security agency with Discretionary Housing Benefits and Scottish Welfare Fund continuing to be delivered by local authorities.

4.0 CONCLUSION

4.1 The committee is asked to note the key messages from the Audit Scotland report and the commentary provided in terms of the Council's position in relation to these.

5.0 IMPLICATIONS

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| 5.1 Policy: | No change. |
| 5.2 Financial: | None |
| 5.3 Legal: | None. |
| 5.4 HR: | None. |
| 5.5 Equalities: | None. |
| 5.6 Risk: | No change. |

5.7 Customer Service: No change.

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Appendix

1 Audit Scotland Report: Housing Benefit Performance Audit 2016/2017

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