
AUDIT OF HOUSING BENEFIT – RISK ASSESSMENT REPORT

Report by Service Director – Customer & Communities

AUDIT AND SCRUTINY COMMITTEE

15 January 2018

1 PURPOSE AND SUMMARY

- 1.1 This report details the outcome of the Housing Benefit Risk Assessment carried out by Audit Scotland during July 2017.**
- 1.2 Although Scottish Borders Council demonstrates awareness of what constitutes as effective, efficient and secure benefit delivery, there are six risks arising from this risk assessment and an action plan has been created to address these.

2 RECOMMENDATIONS

2.1 I recommend that the Committee :-

- (a) Note the contents of the Audit of Housing Benefit – Risk Assessment Report (Appendix 1).**
- (b) Note the actions planned by Customer Services to address the risks identified in the Audit Report (Appendix 2).**
- (c) Note the improvements achieved to date regarding the points identified at 4.2.3 and 4.2.4**

3 BACKGROUND

- 3.1 Under statutory duties, Audit Scotland have responsibility for conducting a Housing Benefit Risk Assessment Programme. The Risk Assessment does not represent a full audit of the Benefit Service but it determines the extent to which the service is meeting its obligations to achieve continuous improvement whilst providing some assurance for the Secretary of State for Social Security in respect of Housing Benefit Administration.
- 3.2 Audit Scotland previously carried out a risk assessment on Scottish Borders Councils benefit service in March 2014 when they identified one risk to continuous improvement. An action plan was not required at that time.
- 3.3 The main objective of the Audit is to help Councils improve their benefit service however it also holds Councils to account for any failing services. The audit normally has two phases
 - 3.3.1 A risk assessment phase that identifies risks to continuous improvement.
 - 3.3.2 A focused audit phase that examines the service, or parts of it in more detail if a council is unable or unwilling to address key risks identified in phase one.
- 3.4 Audit Scotland carried out a risk assessment of the Councils benefit service in July 2017 including a site visit. The final report, which identifies six risks to continuous improvement is attached at appendix 1.

4 AUDIT SCOTLAND SCOTTISH BORDERS COUNCIL AUDIT OF HOUSING BENEFIT RISK ASSESSMENT REPORT

- 4.1 Following the previous risk assessment report carried out on Scottish Borders Council in March 2014 which identified one risk to improvement, the Council contributed positively to the delivery of the benefit service by developing an annual programme of intervention activity focusing on customers considered to be at high-risk of having an unreported change event.
- 4.2 The report highlighted that although the council demonstrates awareness of what constitutes an effective, efficient and secure benefit service, there are six new risks arising from this risk assessment, as follows :
 - 4.2.1 There is a significant risk that based on current resource levels, the benefit service will be unable to maintain or improve on previous performance.
 - 4.2.2 The performance of the benefit service is not being formally reported to the relevant Council monitoring committee and, in addition, performance in respect of the recovery of all benefit overpayments is not being formally reported to senior management out with the Customer Advice & Support Service, or to elected members as part of the Council's performance management framework.

- 4.2.3 The average time taken to process new claims and change events has declined significantly in quarter one of 2017/18.
- 4.2.4 Accuracy performance declined significantly in 2016/17.
- 4.2.5 The benefit service is not formally recording the outcomes from all of its management checking activities, and therefore unable to report on the accuracy of the service as a whole.
- 4.2.6 Although interventions outcomes are recorded, the level of detail is not sufficient to allow the council to determine the effectiveness of its approach in financial terms, or the effectiveness of each monthly intervention campaign, which could help ensure that future activity is informed, risk-based and cost effective.
- 4.3 With regard to the risk identified at 4.2.3 and 4.2.4 the decline is due to a combination of a loss of experienced staff, the reduction in administration funding from the Department for Work and Pensions and a reduction in the level of overtime worked. This is within the context of having to manage a service which will reduce from 2018 when Universal Credit full service is introduced locally.
- 4.4 The report also highlights that there have been some significant changes within the benefit service, including a restructure in 2014 to merge front and back office operations to provide a more streamlined service as well as the more recent service review which commenced in 2016 to bring the benefit service in to the newly formed Customer Advice & Support Service. This restructure has taken an extended period of time which affected the Services ability to address performance issues and forward plan.
- 4.5 With regard to the risk identified at 4.2.5 this relates to checks amounting to over £500 payments which although carried out, were not formally recorded against employee performance.
- 4.6 Performance in the risk areas identified at 4.23 and 4.24 have improved and continue to improve from the position at the time of the audit. Average processing time for new claims and change of circumstances have changed from 29 days and 8 days to 25 days and 8 respectively. Accuracy has changed from 82% to 92%
- 4.7 Although not detailed in the Audit Scotland report, it is worth noting that there has been a 25.6% reduction in administration funding from the the Department for Work and Pensions between 2014/15 and 2017/18 however our Housing Benefit caseload has only reduced by 8.9%.
- 4.8 The report is also silent on another key measure which is the cost of administering a benefit claim. This is a performance measure which is benchmarked with all local authorities in Scotland via CIPFA Directors of Finance. Scottish Borders Council has one of the lowest costs of administration and this must be balanced against other measurement such as processing times.

- 4.9 The Service, like others, is facing significant operational challenges in relation to Welfare Reform changes, in particular the introduction of Universal Credit (UC). The full service is due to be rolled out locally this year leading to a significant increase in the number of people in the Borders applying for UC.
- 4.10 The combination of reduced funding, increased workload due to the Welfare Reform changes and uncertainty about the future of the service is resulting in increased staff turnover within the Service.
- 4.11 An action plan (Appendix 2) has been created by Customer Advice & Support Service to agree the tasks to be carried out to remove the risks detailed above.
- 4.12 Audit Scotland is satisfied that the proposed actions will make a positive Contribution to the continuous improvement in the Council's Housing Benefit service, and therefore no further scrutiny is planned. However, they have asked for an update on our proposed actions and in respect of speed of processing and accuracy performance by 31 May 2018.

5 IMPLICATIONS

5.1 Financial

Any financial implications as a result of the actions in the plan will be met from existing budgets.

5.2 Risk and Mitigations

The Audit of Housing Benefit – Risk Assessment Report identifies 6 risks to continuous improvement to help Councils improve their benefit service. The Council accepts the finding of the risk assessment and has provided an action plan in order to mitigate these risks.”

5.3 Equalities

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5.4 Acting Sustainably

There are no effects on any economic, social or environmental of doing or not doing what is proposed.

5.5 Carbon Management

There will be no impact on the Council's carbon emissions of doing or not doing what is proposed.

5.6 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.
- 6.2 The Chief Executive, Executive Directors (Rob Dickson and Phillip Barr), Service Director Customer & Communities and Communications & Marketing have also been consulted.

Approved by

Jenni Craig **Signature**
Service Director Customer & Communities

Author(s)

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Background Papers:

Previous Minute Reference: Public Minutes (3232)

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Clare Easson can also give information on other language translations as well as providing additional copies.

Contact us at Customer Advice and Support Development Team, Council Headquarters, Newtown St Boswells, TD6 0AS