

AGENDA ITEM:**SUMMARY****WYCOMBE**
DISTRICT COUNCIL

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| Report For: | Audit Committee |
| Meeting Date: | 9th January 2020 |
| Part: | Part 1 - Open |
| If Part 2, reason: | N/A |

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| Title of Report: | Certification of grants and claims |
| Officer Contact: Direct Dial: Email: | Andy Green 01494 421001 Andy.green@wycombe.gov.uk |
| Ward(s) affected: | All |
| Reason for the Decision: | The Department of Work and Pensions, who pay Local Authorities subsidy to administer Housing Benefit, require external certification of the annual Subsidy claim |

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| Proposed Decision/Recommendation: | That: (i) The Auditors report be noted |
| Sustainable Community Strategy/Council Priorities - Implications | Risk: None Equalities: None Health & Safety: None |
| Monitoring Officer/ S.151 Officer Comments | Monitoring Officer: No specific Monitoring Officer comments S.151 Officer: The financial implications are set out in the report. |
| Consultees: | N/A |
| Options: | N/A |
| Next Steps: | None |
| Background Papers: | Held in Finance and Commercial |
| Abbreviations: | DWP – Department of Works and Pensions LA – Local Authority |

Appendices to this report are as follows:

Appendix A – Certification of claims and returns annual report 2018/19 **(To follow)**

1. Detailed Report

1.1. Every year the Council's appointed auditors are required to audit the Authorities Housing Benefit Subsidy Claim in accordance with the audit guidelines set out by the Department for Work & Pensions (DWP). The value of this claim in 2018/19 is £42.4m. As part of this process the DWP set error thresholds which, if exceeded means the amount of subsidy from is reduced. For these purposes an "error" is made up of two factors:

- (a) Admin delay which occurs when a LA does not process claims as quickly as DWP would like; and
- (b) Local Authority error is where the Council incorrectly overpays benefit, for example where claimant income data is input incorrectly.

1.3 Audit certification guidelines require auditors to "extrapolate" the value of the errors. The extrapolation process increases the likelihood that the maximum subsidy amount is not achieved.

1.4 In the 2018/19 audit the LA error value was £3,718.35 (0.009% total claim) which resulted in an extrapolated value of £77,203. This year the extrapolated value has tipped Wycombe over the lower of the DWP thresholds. The DWP will determine the precise amount of the reduction but this is expected to be around £130,000 against the overall grant claim of £42.4m. A provision is set aside each year to offset such reductions in subsidy. This reduction falls within the provision of £250,000 set aside for 2018/19. An element of the shortfall will also be recovered over time through the usual recovery processes that are in place for housing benefit overpayments.

1.5. Despite the fact that full subsidy has not been achieved for 2018/19, in terms of the service offered to customers high levels of performance were maintained during the year and processing time targets were exceeded (4.4 days for changes in circumstances & 19.8 days for new claims). This has been achieved by using a combination of WDC and external resources that can be increased or reduced according to demand.

1.6 To maximise the opportunity of receiving full subsidy in future years the volume of checking has increased during the current year the use of an additional external resource to scrutinise Housing Benefit claim assessments is being considered.