

Gloucester City Council

Meeting:	Audit and Governance	Date:	19th June 2017
Subject:	Benefit Audit Follow up on Accuracy rates		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To update and provide a review to Audit and Governance Committee on the accuracy rate of Housing Benefit and Council Tax Support assessments and the impact upon customers.

2.0 Recommendations

- 2.1 Audit and Governance is asked to **RESOLVE** that the Housing Benefit accuracy rate as outlined in this report be noted.

3.0 Background and Key Issues

- 3.1 Civica UK Ltd is responsible for administering housing benefit and council tax support on behalf of the Council. The Council are required to monitor the work carried out by Civica and undertake at least 10% quality assurance reviews under the contracting out regulations.
- 3.2 The checking of 10% of decisions made is a contractual requirement and is part of The Contracting Out (Functions of local Authorities: Income-Related benefits) Order 2002.
- 3.3 In March 2015 following a Benefit audit, Audit and Governance felt the level of accuracy reported was too high and requested further information as to the types of error and the impact upon customers. In June 2016, an update on the accuracy rate was requested to be reported upon in 12 months' time.
- 3.4 On average over the last 2 years, 215 benefit decisions have been made daily by Civica. These decisions relate to new claims and changes in circumstances.

3.5 The table below shows the financial error rates for financial years 2015/16 and 2016/17:

Year	Total number of decisions made	Total number of decisions checked	% of checks made by client	Number of financial errors	% Financial error rate
2015/16	56750	6180	10.89%	823	13.32%
2016/17	54728	4631	8.46%	403	8.70%

3.6 Throughout 2015/16 and for the majority of 2016/17 the client team has been selecting a random sample of the checks, resulting in approximately 22 checks reviewed daily. The cases are reviewed by the client team for accuracy: errors are categorised into two main types; non-financial errors and financial errors.

3.7 In January 2017 the Contract Technician resigned their post, and under the Together Gloucester restructure this post will no longer be part of the client team. The 10% checking was undertaken by this post and since 16th January 2017, this has fallen to the Senior Client Officer to maintain.

3.8 Unfortunately, in the last few months of the financial year the checking that is required of the Council has not been undertaken due to this change and this is reflective in the table in 3.5.

3.9 However, despite the percentage of the checks made by the client team being 1.54% under the required level for 2016/17, there remains a significant decrease in the number of financial errors from 2015/16 found, and this should be noted. This shows a clear reduction in the financial errors made despite the full checking having not been completed for the last financial year.

3.10 As there is no longer the capacity within the client team to continue the quality assurance checking for the benefit assessments, Civica have been approached to provide a 6 month temporary contract to provide this work and ensure the checking is maintained and assessments monitored. This is now in place and Gloucester's assessment work is checked by another Civica site and fed back to the client.

3.11 The accuracy level continues to be discussed at monthly operational board meetings with Civica and monitored closely; the team continue to work hard to keep the level of financial errors in their work to a minimum, despite its level being outside of contract.

Detail of the financial impact on claimants

3.12 As previously stated, a percentage error rate is not reflective of the financial impact upon the customer and in previous, the team have worked with Civica to assess this. A sample month of June 2015 was analysed and provided at the last Audit and Governance meeting and the financial impact of these errors identified.

3.12 Since the ability to analyse this data for the full financial year remains to be a manual task and isn't readily available for reporting, the same sample has been taken from 2016/17 and the results shown below.

Financial impact on customers as a result of financial errors		
	Jun-15	Jun-16
Number of decisions checked	668	444
Number of financial errors recorded	83	34
Financial Impact		
Council tax Support overpayments	£2,795.48	£288.00
Council tax Support underpayments	£1,504.93	£123.81
Housing Benefit overpayments	£3,651.82	£2,743.68
Housing Benefit underpayments	£1,682.26	£471.36

3.13 There is a significant decrease in the financial impact on customers for June 2016 as opposed to 2015; however 14.05% of checks were completed on the work in June 2015 against 10.05% checked in June 2016.

3.14 The Council is required to check 10% of the overall decisions made in the financial year and so accurately comparable data is not always obtainable.

3.15 A key difference to note from above is that during June 2015 there was a technical issue with the Risk based Verification system (RBV). This was raised previously and it was explained that this increased workloads for the assessment team and the likelihood of errors occurring. June 2016 the RBV system was available and this is clear from the above figures to have a positive impact on the error rate.

3.16 Also, since September 2015 the assessors have been correcting their own financial errors. Although this doesn't directly reduce the level of errors as such, it has had a positive impact of similar errors being repeated by the same assessor, which in the long term will reflect positively on the errors found.

3.17 Training of staff continues to be arranged by Civica and the client will monitor and review trends in errors going forward.

Details of further work to improve performance

3.18 The Department of Work and Pensions Fraud and error work has been more abundant in recent months and more initiatives are being taken up since the last report.

3.19 Real Time Information (RTI) from HMRC/DWP was being provided and continues to be processed by the team to date. This has been replaced recently by a Wider Use

of Real Time Information initiative in April 2017 and we expect further improvements in the accuracy of Housing and Council Tax Support assessments in the future.

3.20 The Right Benefit Initiative 2017/18 has also been taken up by the department which has replaced the previous Fraud and Error Initiative Scheme (FERIS). This scheme is focused on earnings cases which includes occupational/non-state pensions.

3.21 Universal Credit's full service will be landing in Gloucester in February 2018 and this will also provide the department with real-time income changes so Local Council Tax Support claims will remain up to date.

4.0 Asset Based Community Development (ABCD) Considerations

4.1 This report has been reviewed and there is no Asset Based Community Development implications connected with this.

5.0 Alternative Options Considered

5.1 There are no alternatives to consider in this case

6.0 Reasons for Recommendations

6.1 To update Audit and Governance of the current performance

7.0 Future Work and Conclusions

7.1 These are covered in the body of the report.

8.0 Financial Implications

8.1 Financial Services have been consulted on the preparation of this report. Details are in the body of the report.

9.0 Legal Implications

9.1 This is not applicable as is for information only.

10.0 Risk & Opportunity Management Implications

10.1 Risk to reputation and lack of transparency

10.2 Analyse current performance and ensure that action continues to be taken to maintain improvements.

11.0 People Impact Assessment (PIA):

11.1 This is not applicable as the contents of this report are for information only.

12.0 Other Corporate Implications

12.1 None