

<b>Meeting:</b>	<b>Audit and Governance</b>	<b>Date:</b>	<b>23<sup>rd</sup> July 2018</b>
<b>Subject:</b>	<b>Benefit Accuracy Rates Update</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance &amp; Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Alison Bell, Intelligent Client Officer (Revenues and Benefits)</b>		
	<b>Email: Alison.Bell@gloucester.gov.uk</b>	<b>Tel: 396401</b>	
<b>Appendices:</b>	<b>None</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To update and provide a review to Audit and Governance 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 Following the departure of the Contract Technician in January 2017, the responsibility for checks was passed to the Intelligent Client Officer for Revenues and Benefits. It was decided that due to the level of decisions made, and number to be checked, Civica (Hull) would perform the quality assurance checks on the Gloucester caseload for 6 months from June 2017 under a temporary contract.
- 3.4 These checks have been monitored since implementation by the Intelligent Client Officer and it was agreed to extend the contract for a further 6 months to ensure a full 10% check was completed on the financial year's decisions for 2017/18.

- 3.5 The first 3 months of 2017/18 (April – June) were not subject to a 10% check while revised arrangements were put in place. However Civica (Hull) were instructed to perform increased checks at 13.5% between July 2017 – March 2018 to ensure the contractual obligations were met and the Local Authority (LA) Error rates were kept to a minimum. This is in line with the requirements at paragraph 3.2 above
- 3.6 The Local Authority (LA) error and admin delay overpayment rate is determined by thresholds set by the DWP; these thresholds are expressed as a percentage of total correct payments. The thresholds are:

- Lower threshold 0.48%
- Upper threshold 0.54%

DWP fully fund benefit that has been overpaid due to LA error and delay up to the lower threshold and at 40% between the lower and upper threshold. 100% of subsidy is lost if the LA Error rate falls above the upper threshold.

- 3.7 2017/18 has been a strong year for housing benefit and council tax support decisions and the financial error rate of the quality assurance checks continues to fall.
- 3.8 Despite the impact of projects and the implementation of Universal Credit over the last 12 months the financial errors made is at a significantly lower level.
- 3.9 The table below shows the financial error rates from 2015/16 to 2017/18:

<b>Year</b>	<b>Total number of decisions made</b>	<b>Total number of decisions checked</b>	<b>% of checks made by client/3<sup>rd</sup> party</b>	<b>Number of financial errors</b>	<b>% Financial error rate</b>
2015/16	56750	6180	10.89	823	13.32%
2016/17	54728	4631	8.46	403	8.70%
2017/18	45740	3903	8.53	252	6.46%

- 3.10 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.

### **Details of further work to improve performance**

- 3.11 The Department of Work and Pensions Fraud and error work has been more abundant in recent years and more initiatives have been taken up since the last report.
- 3.12 The Wider Use of Real Time Information (WURTI) replaced the Real Time Information (RTI) project in July 2017 and continues to be processed by the team. The expectation that this replacement would further improve the accuracy of Housing and Council Tax Support assessments in the future is seen in this report to be accurate.

3.13 The Right Benefit Initiative 2017/18 was also 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. In essence of the above, this initiative is also due to be replaced with a new scheme of Verified Earnings and Pensions Service (VEP) notifications which are due to start June 2018.

3.14 Universal Credit's full service has now landed in Gloucester from February 2018 which also provides the department with real-time income changes so Local Council Tax Support claims will remain up to date. The impact on the caseload remains to be seen as we are in the early stages of implementation. However, this will be reflected in the report for next year.

#### **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