



REPORT TO: POLICY AND RESOURCES COMMITTEE ON 07 AUGUST 2018

SUBJECT: AUDIT SCOTLAND'S REPORT ON THE HOUSING BENEFIT SERVICE IN MORAY

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To inform the Committee of the findings from an external audit of the council's Housing Benefit service. This report also provides the service's response to mitigate "risks to continuous improvement" identified through the audit.
- 1.2 This report is submitted to Committee in terms of Section III A (4) of the Scheme of Delegation relating to public performance reporting.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers the findings in Audit Scotland's report and notes the actions and response to the highlighted risks to continuous improvement as detailed in this report.**

3. BACKGROUND

- 3.1 Audit Scotland is responsible for the inspection of Housing Benefit in Scottish councils. A risk assessment is undertaken for each council and considers the extent to which Scottish local authorities comply with the statutory responsibility to continuously improve benefits services. Where the risk assessment identifies serious risks to continuous improvement or if the local authority's proposals have not delivered performance improvement within a reasonable timeframe, a more focused audit can be carried out. Only the risk assessment has been completed for this council.
- 3.2 The audit provides assurance to the Department for Work and Pensions and Members on the overall level of risk to continuous improvement in benefits administration across Scotland.
- 3.3 A copy of the risk assessment report is attached as **Appendix 1** of this report. Four risks to continuous improvement have been identified by Audit Scotland. An action plan to address these risks has been submitted to Audit Scotland and is attached as **Appendix 2** of this report.

3.4 The report highlights the following aspects:

- 3.4.1 There has been a decline in speed of processing during 2017. A number of factors have contributed to this which are noted below along with the current situation.
- a) The transfer of Free School Meals and Educational Clothing Grant assessments. This effect of this was anticipated over the initial implementation period and has now stabilised.
 - b) Loss of two experienced benefit processors, whilst another was on maternity leave. The vacant posts have recently been filled and the member of staff on maternity leave has now returned to work.
 - c) Limited pay progression of benefit processing staff was having a detrimental effect on recruitment and retention. A grading review has since taken place and the pay grade has been increased from 3 to 4.
 - d) An officer in a senior post retired creating a vacancy that was filled internally and which created a cascading effect of recruitment and back-filling of posts within the benefits team. This process has now been completed.
- 3.4.2 There have been low levels of automated processing via the DWP's ATLAS system. The DWP's Performance Development Team have recently carried out a review of the system parameters and have recommended some changes which may reduce the number of cases having to be assessed manually. The effectiveness of changes arising from this review work will require further monitoring.
- 3.4.3 Whilst there is regular reporting of performance within the service, it was not being formally reported to elected members. This has since been rectified by expanding the quarterly Corporate Services performance reports to include speed of Housing Benefit processing and overpayment recovery.
- 3.4.4 The benefit service continues to deliver an excellent level of accuracy performance each year. The Quality Performance Strategy has been shared with other Scottish council's, on Audit Scotland's recommendation, to assist these councils to develop a more effective and structured approach to carrying out management checks.
- 3.4.5 The service's intervention activities help to provide assurance that the right money is going to the right people.
- 3.4.6 A proactive approach is taken to minimise the number of overpayments caused by local authority administrative error and the service has performed "exceptionally well" in this area. There is also a high level of performance in the area of overpayment recovery in comparison with levels seen by Audit Scotland in other Scottish councils.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Housing Benefit assists over 5000 households in Moray at a cost of £17M per annum. The Corporate Plan and LOIP identify poverty and the effects on social inclusion, child poverty and health inequalities as significant factors.

(b) Policy and Legal

The Local Government in Scotland Act 2003 introduced statutory duties relating to Best Value and Community Planning. The key objective of the risk assessment is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement in all its activities.

(c) Financial implications

There is no direct impact as a result of this report. However, financial implications will be identified following the completion of the staff pay regrading process, as noted in Staffing Implications below.

(d) Risk Implications

The Benefits Manager will continue to closely monitor and report on matters affecting benefit administration and welfare reform where there is a risk to effective service delivery.

(e) Staffing Implications

None, beyond those detailed at paragraph 3.4.1(c).

(f) Property

No impact.

(g) Equalities/Socio Economic Impact

No impact.

(h) Consultations

The Head of Legal and Democratic Services and the council's Audit Manager have been consulted on this report and Audit Scotland's findings.

5. CONCLUSION

5.1 The audit considers the effectiveness of the benefits service in meeting national and local priorities, business planning and reporting, and delivering outcomes.

5.2 The service has experienced significant changes in recent years in terms of the UK Government's welfare reform agenda and the Scottish Government's priorities. As well as the Housing Benefit, the service also administers Council Tax Reduction, and more recently Free School

Meals and Educational Clothing Grants. Other areas of responsibility within the benefit service are the Scottish Welfare Fund, Discretionary Housing Payments, income maximisation and personal budgeting support.

- 5.3 Aside from the four risks identified by Audit Scotland, the report acknowledges that in many areas the service performs exceptionally well and demonstrates awareness of what constitutes an effective, efficient and secure benefit service.**

Author of Report: Norma Matheson, Benefits Manager
Background Papers:
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