



## **AUDIT COMMITTEE**

### **AUDIT SCOTLAND REPORT: HOUSING BENEFIT PERFORMANCE AUDIT – ANNUAL UPDATE 2018**

#### **REPORT BY HEAD OF FINANCE AND PROPERTY SERVICES**

##### **A. PURPOSE OF REPORT**

To inform the Audit Committee of Audit Scotland's report on the Housing Benefit performance audit's carried out during 2017/18.

##### **B. RECOMMENDATION**

It is recommended that the Audit Committee notes the content of Audit Scotland's annual update report.

##### **C. SUMMARY OF IMPLICATIONS**

<b>I</b>	<b>Council Values</b>	Focusing on our customers' needs; being honest, open and accountable; making best use of our resources.
<b>II</b>	<b>Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	The council has a statutory duty to consider Audit Scotland reports.
<b>III</b>	<b>Implications for Scheme of Delegations to Officers</b>	None.
<b>IV</b>	<b>Impact on performance and performance Indicators</b>	None.
<b>V</b>	<b>Relevance to Single Outcome Agreement</b>	Our public services are high quality, continually improving, efficient and responsive to local people's needs.
<b>VI</b>	<b>Resources - (Financial, Staffing and Property)</b>	None.
<b>VII</b>	<b>Consideration at PDSP</b>	None.
<b>VIII</b>	<b>Other consultations</b>	None.

## **D. TERMS OF REPORT**

### **D1 Background**

The main objective of the benefit performance audit is to help councils improve their benefits service, however, it also holds councils to account for any failing services. The audit has two phases;

- A risk assessment phase that identifies risks to continuous improvement.
- 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.

Audit Scotland issued reports to five councils as part of the risk assessment programme for 2017/18. No focused audits were carried out as no significant concerns were identified from the initial risk assessments.

Audit Scotland risk assess all councils every autumn, reviewing a range of factors including each council's current published speed of processing performance statistics. Where councils are not performing well, or where their performance has significantly declined, they will be prioritised for an audit. West Lothian was last visited for an audit during November 2014.

### **D.2 Key Findings from visits**

Audit Scotland's report details the outcome of their performance audit work in 2017/18. A total of 24 risks to continuous improvement were identified in the five risk assessment visits completed, all of which were fully accepted by councils, with 78% of risks identified during previous years either fully or partially addressed.

Further updates were requested from four of the council's visited in respect of their speed of processing performance and the updates subsequently submitted satisfied Audit Scotland on the improvements made in each council.

The visits identified weaknesses in the following key areas;

- Business planning and performance reporting in some council's.
- Quality checking is not always routinely analysed to help identify trends and patterns of error.
- Intervention outcomes did not contain sufficient detail to determine the effectiveness of each campaign.

Analysis of the improvement actions received from the five councils visited showed that 26% of agreed risks from previous risk assessments were carried forward, up from 20% in 2016/17. The outstanding risks related to;

- Accuracy
- Interventions
- Overpayments

Councils have advised that all their agreed actions had not been implemented for various reasons including the ongoing roll-out of Universal Credit (UC), which continues to have an impact on their services as they re-structure their benefit services, and the reduction in housing benefit caseloads and budget pressures which are leading to fewer full-time benefit service employees.

Audit Scotland report that in all the five councils visited, the level of resources might not be sufficient to maintain or improve on previous claims processing performance levels.

### **D.3 Universal Credit**

The roll out of UC remains the most significant change to the social security landscape. A report by the National Audit Office, published in June 2018, concluded that there are a number of ongoing issues with the continuing roll out as follows;

- UC is not delivering value for money.
- Ongoing delays to the roll out schedule.
- No evidence that UC is helping to increase employment.
- Delays in payments of UC being made to claimants.
- The digital application process is challenging for some claimants.
- Increased costs for councils as a result of additional work, increased rent arrears and additional demands for support.

From October 2017, the Scottish Government introduced two flexibilities to how UC claimants in Scotland can choose to receive their payments, allowing them to request twice monthly payments instead of monthly, and also to have the housing element of their UC paid directly to their landlord.

### **D.4 Other changes**

Audit Scotland also commented on a number of ongoing developments which have the potential to impact on council's housing benefit performance levels going forward;

- Two new services introduced by the Department for Work and Pensions should help improve processing performance and debt recovery. Councils can now verify earnings and pensions information for claimants from Her Majesty's Revenue and Customs, through the Verify Earning and Pensions service. This should help to improve housing benefit processing times and reduce overpayments. The Department for Work and Pensions, Housing Benefit Recovery Project, now allows councils to match housing benefit debtors to employment and pension data. This should lead to improved collection and recovery performance. It should however be noted that the recovery of housing benefit debt will become more difficult once claimants have moved on to UC.
- The new Scottish social security agency became operational in September 2018, however, significant decisions are still to be made about the local presence of the agency across Scotland.

### **D.5 Position in West Lothian**

Our performance statistics for the speed of processing housing benefit new claims and changes have improved significantly since 2014/15, when we received our last audit. The Chartered Institute of Public Finance and Accountancy statistics for 2017/18 rank West Lothian as 2<sup>nd</sup> in Scotland for housing benefit new claims processing, at an average of 13 days, and 7<sup>th</sup> for the processing of housing benefit changes, at an average of 4 days. Performance during 2018/19 remains consistent with the cumulative processing times, as at 31 December 2018, recorded at 11 days for new claims and 5 days for changes.

## **E. CONCLUSION**

Audit Scotland has recognised the improvements that the councils visited have made and have also acknowledged the ongoing pressures that council's face due to the further roll out of UC and additional welfare reforms.

The council will continue to work on improving the service, and will pro-actively address challenges that Welfare Reform will bring in the future. Officers will continue to assess the effects of these challenges in order to develop and shape work going forward.

The current housing benefit performance statistics for West Lothian remain excellent and do not anticipate that Audit Scotland will request a further visit at this stage as a result of concerns over performance.

## **F. BACKGROUND REFERENCES**

Housing Benefit Performance Audit Annual Update 2018, report by Audit Scotland –

[http://www.audit-scotland.gov.uk/uploads/docs/report/2018/hb\\_performance\\_2018.pdf](http://www.audit-scotland.gov.uk/uploads/docs/report/2018/hb_performance_2018.pdf)

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