

MEETING: 9 JUNE 2022

REPORT BY: AUDIT DIRECTOR, AUDIT SERVICES

HOUSING BENEFIT PERFORMANCE AUDIT

Purpose

1. The purpose of this report is to update the Commission on the Housing Benefit (HB) performance audit work carried out in 2022/23, to advise of the scope for the previously agreed thematic study for 2022/23 on 'Resourcing the benefit service', and to seek approval and a way forward for the Commission's work in this regard.

Background

2. The Accounts Commission has responsibility for inspecting HB services in Scotland under Section 105A of the Local Government Scotland Act 1973. It agreed to this role from 2008, following a request from the Department for Work and Pensions (DWP). This replaced the work of the Benefit Fraud Inspectorate in Scottish councils and arrangements for the work are set out in a Memorandum of Understanding between Audit Scotland and the DWP, which is reviewed every five years. The Commission discharges this responsibility through a programme of HB performance audit work.
3. In March 2019, the Commission agreed to a [new approach](#) to HB performance audit work. It introduced more thematic cross-cutting reviews to look strategically at the issues raised across councils, reducing the number of individual performance audits undertaken. In November 2020, the Commission approved the proposed thematic study '[The impact of Covid-19 on Scottish councils' benefit services](#)'. The study report was approved by the Commission at its September meeting and published on 7 October 2020.
4. To provide assurance that best use is made of available resources, in addition to thematic studies, the team carries out scrutiny of Scottish councils' claims processing performance and engages with the DWP and other colleagues across Audit Scotland. This enables potential issues to be identified and informs the work programme. Local audit teams' annual work on the HB subsidy audit provides additional assurance that the £1.4 billion in HB paid out by Scottish councils each year is being scrutinised.

2022/23 work programme

5. The team remains on target to carry out two HB performance audits in 2022/23, based on a desktop assessment. The first audit on Clackmannanshire Council has recently been concluded. The council was selected as it had the best reported performance in 2020/21 for new claims processing and we hoped to identify good practice that could be shared with the wider benefit community.
6. However, our engagement with the council was challenging and the information provided in support of the self-assessment was limited. This meant that a full and comprehensive review of performance was not possible. Our audit findings, based on the information provided by the council and that obtained from other sources, included three recommendations for improvement.

7. The team's next performance audit on East Lothian Council has commenced and is due to report in summer 2022. The findings from both HB performance audits will be reported to the Commission as part of the 2022 annual audit update.

Thematic study – Resourcing the benefit service

8. As a result of the pressures on council services due to the Covid-19 pandemic, the planned work on 'Resourcing the benefit service' did not go ahead as originally planned in 2020. In [November 2021](#) the Commission agreed to revisit this area as part of the 2022/23 work programme.
9. In preparing for the migration of claims to Universal Credit (UC), Scottish councils have sought to retain benefit staff expertise by diversifying into other areas of financial assessment, for example, Educational Maintenance Awards, School Clothing Grants, Council Tax Reduction and applications to the Scottish Welfare Fund.
10. This means that many councils no longer operate a generic benefit service and to compare Scottish councils' claims processing performance in a fair and accurate manner, the composition and workload of each service needs to be considered.
11. The study aims to establish a profile of each benefit service in Scotland and assess claims processing performance by including the impact of other factors such as workload, resources (incl. absences), call handling volumes, experience levels and caseloads. A questionnaire is currently being developed for distribution to all councils and prior to finalisation we will engage directly with a number of councils to ensure it is appropriately targeted.
12. This approach has been effective in previous studies. We intend to use an electronic survey tool to collect responses, however work is still ongoing within Audit Scotland to secure this which will delay the issue of the questionnaire and the overall timing of concluding this thematic study. We still intend to complete this work by the end of 2022.
13. The study scope is attached at Appendix 1 for the Commission's consideration and comment.

Conclusion

14. The Commission is invited to:
 - note the HB performance audit work carried out
 - agree the scope for the 'Resourcing the benefit service' thematic study and the slightly delayed timeline to enable an electronic survey tool to be procured.

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Audit Director, Audit Services
31 May 2022

Resourcing the benefit service - Scope**1. Background**

1.1 Since the introduction of Universal Credit (UC) in 2013, Scottish councils have been preparing the housing benefit (HB) service for a reduction in staff because of reducing caseloads and uncertainty over the future delivery of the service. Although the timeline for the full migration of the HB caseload to UC was originally 2018, this has been extended several times by the Department for Work and Pensions (DWP) and is now scheduled for completion by September 2024.

1.2 In preparing for the migration of cases to UC, Scottish councils have sought to retain benefit staff expertise by diversifying into other areas of financial assessment, for example, Educational Maintenance Awards, School Clothing Grants, Council Tax Reduction, and applications to the Scottish Welfare Fund.

1.3 This means that many councils are no longer operating a generic HB service, and to compare claims processing performance of HB services fairly and accurately across Scotland the composition and workload of each service needs to be considered.

2. Description and deliverables

2.1 This study aims to establish a profile of each HB service in Scotland and to assess claims processing performance by including the impact of other factors such as workload, resources (incl. absences), call handling, experience levels, and caseloads.

2.2 The study will include:

- an e-mail to all Scottish councils' Chief Executives advising of the study
- an e-mail and questionnaire to all Scottish councils' HB managers for completion
- a thematic study report for consideration and approval by the Accounts Commission
- a published report e-mailed to all Scottish councils' Chief Executives, HB managers, the DWP and placed on the Audit Scotland website.

4. Boundaries and assumptions

4.1 Included within the scope of the thematic study is:

- a review of Scottish council's HB resources
- a review of Scottish councils claims processing performance
- analysis of the questionnaire responses and associated data.

4.2 The study will not include an analysis of the performance of the HB services in other areas of HB administration, such as overpayment recovery, or other elements of the HB services, such as time taken to process other applications.

4.3. We have working to ensure we receive responses from all Scottish councils and are assuming that the necessary data will be provided on staffing levels (including overtime and absence data), workload level and performance information.