



# Grant Thornton

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28 February 2018

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Dear David

## **Certification work for Gravesham Borough Council for year ended 31 March 2017**

We are required to certify the Housing Benefit subsidy claim submitted by Gravesham Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) took on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim for the financial year 2016/17 relating to subsidy claimed of £34.5million. Further details are set out in Appendix A.

We identified a number of issues from our certification work in 2016/17 which we highlight for your attention. Three areas where additional testing of 40 cases was required were identified based upon review of errors noted from additional testing performed in relation to the 2015/16 Housing Benefit subsidy claim.

The Housing Benefit subsidy audit was well managed by the Council and despite the volume of cases that required testing, the audit ran smoothly and efficiently and we noted that this work was completed by the Council in a timely manner and to a good standard of quality.

As a result of the errors identified, some cells on the claim were amended and the claim qualified. We reported our findings to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The indicative fee for 2016/17 for the Council was based on scale fee set by PSAA. The indicative scale fee set by PSAA for the Council for 2016/17 was £14,526. This is set out in more detail in Appendix B.

Yours sincerely

*Grant Thornton UK LLP*

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Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£34,475,350	Yes	-£4,199	Yes	See below

#### **Appendix A - Details of claims and returns certified for 2016/17**

#### **Findings from certification of housing benefits subsidy claim**

Through our certification work we identified a small number of errors and other issues, which are summarised below.

#### **Rent Rebate claimant earned income**

In the previous year we identified errors in relation to the calculation of claimants' earned income within the Housing Benefit calculation. Given the nature of the population the Council were required to test 40 cases where the claimants' earned income is included within the Housing Benefit calculation for 2016/17. Testing identified 8 cases where the Council had not used the appropriate earnings within the benefit calculation. The errors were classified as:

- 7 cases where the claimant was overpaid (total overpayment £243)
- 1 case where there was no impact on the Housing benefit award.

#### **Rent Rebate claimant state retirement pension**

In the previous year we identified errors in relation to the calculation of claimants' state retirement pension within the Housing Benefit calculation. Given the nature of the population the Council were required to test 40 cases where claimants' state retirement pension is included within the Housing Benefit calculation for 2016/17. Testing identified 6 cases where the Council had not used the appropriate state retirement pension within the benefit calculation. The errors were classified as:

- 4 cases where the claimant was overpaid (total overpayment £134)
- 2 cases where there was no impact on the Housing benefit award.

#### **Non-HRA incorrect input of rent**

Testing of the initial sample identified 2 cases (total value of £5,098) where benefit had been overpaid by £1 as a result of the Council inputting the claimant's rent increase incorrectly (inputting the increase one week early). This error was isolated to 8 plots on a caravan site and calculated as £8 – the difference between the old and new rent for the period for which it was prematurely increased. Given the nature of the population and the error found in the initial sample, no additional sample of 40 cell 011 cases was selected for testing. It was possible to isolate the error to one collection of homes.

The Council has not amended the 2016/17 claim to adjust for this overpayment.

### **Rent Allowance claimant earned income**

In the previous year we identified errors in relation to the calculation of claimants' earned income within the Housing Benefit calculation. Given the nature of the population the Council were required to test 40 cases where the claimants' earned income is included within the Housing Benefit calculation for 2016/17. Testing identified 8 cases where the Council had not used the appropriate earnings within the benefit calculation. The errors were classified as:

- 2 cases where the claimant was overpaid (total overpayment £465)
- 4 cases where the claimant was underpaid (total underpayment £986)
- 2 case where there was no impact on the Housing benefit award.

### **Recommended actions for officers**

We recommend that the Council as part of its internal quality assurance process, should increase its focus or level of testing in respect of the areas where we identified errors from our testing.

### **Appendix B: Fees for 2016/17 certification work**

<b>Claim or return</b>	<b>2015/16 fee (£)</b>	<b>2016/17 indicative fee (£)</b>	<b>2016/17 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£9,860	£14,526	£14,526	£0	Not Applicable