

5 January 2012

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— Dear Lisa

## **Certification of the Housing Benefits Grant Claim 2010/11**

We completed the certification of the Housing and Council Tax Benefits grant claim on 29 November 2011 as planned. This claim was amended as a result of the work we carried out and accompanied by a qualification letter that we agreed with Ian Roper and John Maddison.

During our work we identified a variety of errors which, although they did not result in incorrect payment of benefit or incorrect subsidy being claimed, I consider that it would be useful for you to be aware of. These are errors which appear to be caused by inattention to detail and, whilst not creating incorrect payments in year, could do so in the future. I do not aim to reiterate the issues included in the qualification letter that accompanied the claim but I think it relevant to the matters raised in this letter to highlight the marked increase in errors found in CTB overpayments (24 in the sample of 40 cases) many of which related to classification of the overpayment.

A summary of these errors is included in Appendix 1.

If you wish to discuss this please feel free to call me. We will follow up with you actions that you propose to carry out to address these issues as part of the certification process in 2011/12.

Yours sincerely

Paul Hutchings  
*Audit Manager*

cc Barry Dryden

## Appendix 1 Sample of errors identified

### Rent Rebates

- 1 Where a claimant is in receipt of a benefit which is uprated annually in the HB system by a set percentage the resulting calculation in the system will be subject to rounding differences from that actually paid by the DWP. For two cases tested where the claimant was on Incapacity Benefit the accumulated difference in 2010/11 was 3p per week [claim references [REDACTED]]. The Council should therefore ensure that the uprating is checked for rounding errors to ensure that accurate information is used. In one of these cases the claimant was also in receipt of Disability Living Allowance which was not included in the income calculation. Although this is treated as disregarded income it should, nevertheless be included in benefit calculations.
- 2 One claim was found where non-dependent income was assessed using one 4 week pay period instead of averaging over several periods. [claim reference [REDACTED]]. Testing of a longer average showed that the income would still fall in the same band and so the claim was calculated correctly.
- 3 One claim included an Extended Payment period which had led to payment for 1 week being credited to the rent account twice. Instead of reclaiming this directly from the rent account this was reclaimed by deduction of ongoing entitlement from the claimant. [claim reference [REDACTED]].
- 4 Incorrect WTC and CTC rates applied [claim reference [REDACTED]]. There was no over or under payment as the level of income remained below the amount for full Housing Benefit entitlement. Disregard incorrectly applied against WTC rather than against earnings.
- 5 Failure to include bank accounts where the amount is below the £6k limit for inclusion of tariff income. [claim reference [REDACTED]]. This could subsequently lead to failure to check these accounts at a time when they may be over the limits for disregard.
- 6 Incorrect recording of income as Income Support when it should be Pension Credit Guarantee (claim ref [REDACTED]). Once case of Attendance Allowance recorded as DLA. [claim reference [REDACTED]].

### Modified Schemes

- 7 One claim found where war pension increases had not been applied since 2007. [claim reference [REDACTED]].

## Council Tax Benefit

- 8 One claim which included a period of backdate which should have been statutory entitlement. [claim reference XXXXXXXXXX]
- 9 One claim found where a change to a passported benefit had not been actioned leading to an underpayment – this was corrected in August 2011. [claim reference XXXXXXXXXX]

## Rent Allowances

- 10 One claim where the rent had changed from £400 to £425 which was not documented as supported. [claim reference XXXXXXXXXX].
- 11 One claim where a rent increase was not applied [claim reference XXXXXXXXXX].
- 12 One case where there was an apparently valid claim for a 3 week period which was not paid. Investigation indicates that the reason for this was probably failure to provide information regarding income during a period abroad but this was not documented. The claim appears to have been treated as an advance claim for a later period when benefit was being paid. [claim reference XXXXXXXXXX]

## Re-performance of 40+ testing

- 13 Various errors of a similar nature to those identified above were found during our re-performance of a selection of the 40+ testing carried out by the authority. These are not listed here as the issues would also have been found by the assessor carrying out the testing.