



Oldham Metropolitan Borough Council

Housing Benefit Assurance Procedures Reporting 2023/24

July 2025

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Introduction

In accordance with the DWP's Housing Benefits Assurance Process, the Council is required to have an annual review of its Housing Benefit Subsidy claim.

Our work on the Council's Housing Benefit claim is carried out in accordance with the DWP's prescribed process and includes:

- Agreeing parameters within the Council's housing benefits system to the DWP's published standard rates for the year;
- Checking that the subsidy claim has been prepared using the specified version of the benefits software;
- Sample testing claims to check the calculation of benefit entitlement and (and that it was supported by evidence);
- Undertaking testing over modified schemes payments.

Work undertaken

Tested 20 individual cases for each of the following cells on the claim form:

- 011 (Non HRA)
- 055 (rent rebates);
- 094 (rent allowance); and
- 225 (modified schemes).

Additional focused testing is either based on our findings in the prior year (2022/23) or by the results of our initial testing in the current year. We undertook additional testing of 40 cases (or 100% of cases if less than 100 cases had the error characteristic) on six areas:

- Cell 011: Assessment of earned income;
- Cell 033: Overpayment misclassification;
- Cell 055: Effective date of Capital Tariff income changes;
- Cell 094: Calculation of Child Care Costs
- Cell 094: Assessment of capital tariff; and
- Cell 102: Inclusion of correct Service Charges in Eligible Rent

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Our work on the 2023/24 audit, including all procedures required by the DWP is complete. We submitted our final report dated 23rd May 2025.

Findings

The results of our testing are outlined below:

Errors (Appendix A)

We reported two areas with exceptions/errors:

- Testing in 2022/23 identified that the Local Authority had assessed earned income incorrectly in Non HRA cases. Initial testing in 2023/24 identified one case where earnings were miscalculated, but this did not affect the amount of subsidy claimed. The additional random sample of 40 cases tested identified four cases where the earnings were miscalculated resulting in both overpayments and underpayments of benefit and misclassification of subsidy on the claim form. Altogether the impact was an overstatement of £1,186, with an extrapolated effect of the headline cell of £2,990.
- Testing in 2022/23 identified that the Local Authority had assessed tariff income from capital incorrectly in Rent Allowance cases. Initial testing in 2023/24 identified no errors. The additional random sample of 40 cases tested identified five cases where tariff income was incorrectly assessed resulting in one overpayments and the rest of the errors and no impact on the amount of benefit paid. The impact was an overstatement of £3, with an extrapolated effect of the headline cell of £99.

Observations (Appendix B)

We reported one observation:

- An issue with the assessment of service charges in the eligible rent amount used in Cell 102 cases. Our testing identified one case where the authority had incorrectly assessed the service charges in the eligible rent. In this case, the error led to an underpayment of housing benefit paid. Additional testing identified no further errors. As there is no eligibility to subsidy for benefit which has not been paid, this was recorded as an observation only.

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Amendments to the claim form (Appendix C)

We reported four areas where the claim form needed amending:

- After submitting their MPF720A dated 02 May 2024 for the year ended 31 March 2024, the authority identified that a small number of temporary and supported accommodation claims, that had migrated to Universal Credits, had not been netted off correctly by the system due to incorrectly creating overpayments. The issue, which caused the overpayments, has now been fixed by Capita and therefore is not an ongoing issue. The amendments needed were : Cell 011 overstated by £2,755 ,Cell 028 overstated by £2,755, Cell 094 overstated by £232, Cell 114 overstated by £232, and Cell 121 overstated by £5,078.
- Testing in 2022/23 identified that the Local Authority had misclassified prior year technical overpayments as eligible error overpayments in some Non HRA rent rebate cases. All cases with this characteristic were tested this year and we found 2 cases where the errors were misclassified. The impact was to misclassify expenditure of £1,101.
- Initial testing of HRA rent rebate cases identified that the LA had made an error in applying the effective date of change to tariff income. Testing of effective date of change to tariff income in initial HRA rent rebate cases and in an additional random sample of 40 cases, found two cases where benefit was overpaid resulting total amendments of £30.
- Initial testing of Rent Allowance cases identified that the LA had miscalculated childcare costs in one case. Testing of 100% of cases with childcare costs, found eight cases where childcare costs were incorrectly calculated resulting in underpayments of benefit, overpayments of benefit and misclassification of benefit. Total amendments for this error was £1,419.

The impact of the errors identified above are reflected in the amendment made to Form MPF720A dated 1 May 2025.

Other Matters (Appendix D)

No other matters were reported.



Thank you



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