



Mr Paul Johnson  
 Director of Resources & Interim Chief Executive  
 Solihull Metropolitan Borough Council  
 Council House, Manor Square  
 B91 3QB

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**Grant Thornton UK LLP**  
 17th Floor  
 103 Colmore Row  
 Birmingham  
 B3 3AG  
 T +44 (0)121 212 4000

15 February 2023

Dear Paul,

## **Housing Benefit Assurance Process (HBAP) Certification work for Solihull Metropolitan Borough Council for year ended 31 March 2022**

We have been appointed by the Solihull Metropolitan Borough Council ('the Council') to certify the Housing Benefit subsidy claim submitted by the Council. This certification typically takes place six to nine months after the claim period but has been extended with the agreement of DWP in recent years as a result of the pandemic. The certification process represents a final but important part of the arrangements to confirm the Council's entitlement to funding.

The Department for Work and Pensions (DWP) extended the deadline for completion of this work to 31 January 2022 (but where it has been informed the DWP does accept submissions after this date without penalty).

We certified our work on the Housing Benefit subsidy claim for the financial year 2021/22 relating to subsidy claimed of £34.55 million, sending the required documentation to DWP, on 01 February 2022. Further details are set out in Appendix A.

The assessment of claims for housing benefit is a relatively complex process with a large number of manual inputs required. It is therefore not unusual to find errors and, as in prior years, we identified a small number of issues from our certification work which we wish to highlight for your attention. Where we identify errors in assessing claims the DWP requires us to undertake additional work. In 2021/22 we had to undertake three lots of additional testing as a result of errors identified in the previous year (five lots in 2020/21), and one lot of additional testing as a result of new errors identified this year (one lot in 2020/21).

As a result of the errors identified, the claim was not amended but we were required to issue a qualified HBAP report to the DWP. The DWP may require the Council to undertake further work or provide assurances on the errors we have identified.

The agreed fee for the work is £22,500. This is disclosed within our Audit Plan and Audit Findings Reports as required by the Ethical Standards.

Firm of accountants	Grant Thornton UK LLP
Office	Birmingham
Contact details	Meriel H Clementson ( <a href="mailto:Meriel.H.Clementson@uk.gt.com">Meriel.H.Clementson@uk.gt.com</a> )

Yours faithfully

*Grant Patterson*

**Grant Patterson**  
 Director and Key Audit Partner for Grant Thornton UK LLP

## Appendix A

## Details of amendments

Value	Amended?	Amendment value	Qualified?
£34,551,210	No	£0	Yes

## Findings from certification of housing benefits subsidy claim

## Workbook completion

DWP provides workbooks to all audit suppliers to complete in order to ensure consistency and high quality in documentation. Many councils now complete these workbooks using Quality Assessment Officers or Supervisors who have not initially been involved in assessing claims. Auditors then reperform some of the work which officers have completed. This reduces the cost of the work compared to auditors doing it all, and also gives officers better information on any training needs or quality issues regarding the initial claim assessments.

We are pleased to report that the quality of completion of the workbooks this year was again of a good standard. In previous years we have recommended more capacity at the Council to tackle the significant amount of work required. We are pleased that over the past two years the number of officers has increased as well as the implementation of a supervisor. This puts the Council in a resilient position and shares the workload.

## Amount of testing and errors found

The table below shows the number of cases tested and the number of errors found in recent years.

Year	Cases Tested	Errors	Error rate (%)
2014-15	121	3	2
2015-16	302	12	4
2016-17	276	94	34
2017-18	291	15	5
2018-19	320	22	7
2019-20	433	25	6
2020-21	201	10	5
2021-22	222	4	2

## New issues in 2021/22

There was one error identified in the 63 initial claims selected for testing (this includes initial testing on Cells 011 (Non-HRA Rent Rebates), 055 (HRA Rent Rebates) and 094 (Rent Allowances), as well as modified schemes). This error fell into the following category:

- Incorrect input of New State Pension (cell 094)

Across all of our testing there were also three errors relating to incorrect calculation of earnings in Cell 094 – Rent Allowances. We have now reported this issue to DWP for seven years. As a result of this we had already planned to undertake extended testing in this area (see below).

## Testing on Brought Forward Prior Year Issues

We were required to undertake additional testing in respect of:

- Incorrect input/calculation of earnings in both rent allowances (Cell 94) and HRA rent rebates (Cell 55)
- Incorrect input of rent in rent allowances (Cell 94)

Two of the three areas (HRA Rent Rebates - incorrect earnings and Rent Allowances – incorrect rent) where we had to undertake additional testing as a result of prior year errors identified no further errors and are therefore considered “closed”.

To summarise, this means that there will be two lots of additional testing required in 2022/23 as a result of issues identified in previous years and errors identified in our initial work in 2021/22 in the areas of:

- Incorrect input/calculation of earnings in rent allowances (Cell 94)
- Incorrect input of New State Pension (Cell 094)