



# Grant Thornton

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Dear Vince,

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

We are required to certify the Housing Benefit subsidy claim submitted by Pendle 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 £24.302 million. Further details are set out in Appendix A.

The HBCOUNT approach requires us to test an initial sample of benefit cases. Follow-up testing is required if any errors are identified as part of that initial sample or if errors were found in the previous year. This year we undertook follow-up testing in two areas:

- (i) *calculation of income for those claimants who had non-dependents living in their properties* - the regulations require the Council to use the gross income of the non-dependent as part of the overall calculation of benefit due to the claimant. However, we identified one case in our initial sample where the Council had used the lower net income figure. Our initial and follow-up testing did not identify any instances where the claimant's benefit was overstated as a result of this issue. This finding was reported to the Department of Work and Pensions ('the Department') as part of our qualification letter.
- (ii) *classification of tenancies for housing benefit recipients* – different benefit regulations apply according to whether tenants live in properties let by registered providers of social housing or other types of landlords such as

private landlords and charitable organisations. In the previous year we identified one case where a tenancy had been misclassified. We undertook follow-up work this year. Testing of 40 cases did not identify any tenancies which had been misclassified. This finding was also reported to the Department.

As a result of the errors identified, the claim was qualified, and we reported our findings to the Department. The Department may require the Council to undertake further work or provide assurances on the errors we have identified. We also agreed a minor amendment to the claim at the Council's request to correct an error that had come to the Council's attention. Correcting this error increased the subsidy due to the Council by £507.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2016/17 was £10,380. We confirm this is the final fee for the certification work undertaken as described above.

Yours sincerely

Grant Thornton UK LLP

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

### Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£24,302,427	Yes	£507	Yes	Qualification referred to two issues described in the main body of this letter.