CYNGOR SIR *POWYS* COUNTY COUNCIL.

Governance and Audit Committee
31st March 2023

REPORT AUTHOR: **Jane Thomas, Head of Finance**

REPORT TITLE: **Duplicate Payment of Fuel Grant Support**

REPORT FOR: **Information**

1. Purpose

1.1 This report provides an update on the duplicate payments of fuel support grant made to recipients in October 2022.

2. Background

2.1 In 2020 all local authorities in Wales agreed to act as an agent for Welsh Government and process significant volumes of grant payments on their behalf, these payments were made to both business and individuals to support covid, fuel poverty and hardship.

2.2 The general approach to distributing these grants was through the Councils creditors payment system using "one off supplier payments", this was the quickest way of getting the money to the recipients, without creating additional administrative burden on staff, through the uploading of a spreadsheet file into the finance system. We were aware that there was an element of risk in using this method, compared with setting up the recipients as individual "suppliers" or creditors in the system. Until this incident in October there had been very few issues with duplicate payments.

2.3 Had we realised earlier that we were making regular payments to the same individuals it may have been appropriate to set them up as creditors in the system. However, we did not expect to continue making such payments nearly three years after we began. Over this period we have distributed over £100 million of support through these payments.

3. Issue

3.1 In October 2022, the Creditors Team were sent a batch of 842 Fuel Support Grants to pay. There was an error in the file, where one of the address fields was too long, longer than the maximum 45 characters and as a result of this error the batch failed to load and was stuck in the temporary tables. Under normal circumstances the temporary batch would be cleared out over-night, and then we would reload the batch for payment.

3.2 The batch was corrected and the amended version was loaded into the system, but the incorrect batch had not been cleared out, resulting in both batches being paid on 18/10/22.

4. Update

4.1 Once the error was identified all recipients of the double payment were notified, and asked to return the overpayment. Of the £168,200 (842 grants) that were paid in error, £121,200 has been paid back, and invoices have been raised to recover a further £8,800.

4.2 Regular emails have been sent to all recipients that received an overpayment requesting the repayment of this grant, and in January 2023 we are now in the process of raising invoices to request payment through the formal debt management processes. We currently have £38,200 (194) still outstanding – (22.7%).

4.3 The 194 recipients have been set up in the finance system, and we are in the process of raising invoices demanding payment, with an option for payment through instalments.

4.4 Where recipients are eligible for further grants these will be netted off any outstanding balance.

4.5 Further training with new systems staff has been undertaken to reduce the risk of this error occurring again. The staff producing the original files have also made changes to ensure that the data provided is in the correct format to prevent the errors occurring again. So ensuring if a batch does fail it wont be processed until all checks provide assurance that the error batch has been cleared.

5. Resource Implications

5.1 The funding to support the payment of these grants was provided by Welsh Government The error and subsequent financial consequence of not being able to collect all the duplicate payments will need to be met by the Council. It is proposed that this is met from the funding provided to support the administration of the grants and will be subject to further approval when the final position is known .

6. Legal implications

6.1 The Monitoring Officer has no specific concerns with this report.

7. Recommendation

7.1 That the contents of this report are noted.

Contact Officer: Jane Thomas
Email: jane.thomas@powys.gov.uk
Head of Service: Jane Thomas