Meeting: Policy Development and Decision Group (Joint Operations Team) **Date:** 6 November 2017

Wards Affected: All Wards

Report Title: Housing Benefit & Council Tax Support Risk Based Verification Policy 2018/19

Is the decision a key decision? No

When does the decision need to be implemented? 1 April 2018

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1. Proposal and Introduction

1.1 The Council implemented Risk Based Verification into its Housing Benefit and Council Tax Support assessment processes by the Department of Work and Pensions (DWP) on 1 December 2016. It was approved by the Mayor in September 2016.

1.2 The Risk Based Verification Policy must be reviewed annually but not changed in-year as this would complicate the audit process. The amended policy should be approved by Members and Section 151 officer.

1.3 Risk Based Verification assesses the information provided on the application form and allocates the case to a risk category. If someone is in a low-risk category they may only be required to submit basic identification and National Insurance Number information. This targeted approach has shown to be more effective at identifying fraud and error, whilst also reducing costs and improving the customer journey. The process works on a risk matrix based on the applicants circumstances. The data can also be matched against data from other local authorities to ensure that customers do not have a duplicate claim in progress.

2. Reason for Proposal

2.1 At present the Council receives 8,000 new claims for Housing Benefit & Council Tax Support. Risk Based Verification (RBV) reduces the necessity for many customers to contact the Council through more expensive methods such as face to face, and decreases the need to produce original documents to support their claim

resulting in a reduction in the number of customer contacts, lower volumes of scanning and indexing and less information requests.

2.2   From a service perspective RBV has contributed to reduce processing times for new applications during a period where capacity has been diverted to other initiatives.

2.3   To summarise, the main reasons for continuing to undertake Risk Based Verification are as follows:

- An efficient administration that results in a reduction in officer processing time. This allows resources to be deployed to undertake other priority work and results in a reduction of administration costs.

- Significantly reduces the claim verification process for many customers, which also improves processing times.

- Reduces the volume of customer contact received by the Call Centre to chase the progress of applications due to claims being processed promptly.

- Ensures that Housing Benefit and Council Tax Support is paid promptly to ensure that customers remain up to date with their rent.

- Assists to identify potentially fraudulent cases and taking the appropriate action.

3.   Recommendation(s) / Proposed Decision

That the Mayor be recommended:

3.1   That the amended Risk Based Verification Policy for Housing Benefit and Council Tax Support set out in Appendix 1 to the submitted report be approved

Appendices

Appendix 1: Risk Based Verification Policy
Appendix 2: Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011

Background Documents

Equality Impact Assessment Risk Based Verification Policy

Report Clearance

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Steve Parrock	
Monitoring Officer	Anne-Marie Bond	
Chief Finance Officer	Martin Phillips	
Relevant Director/Assistant Director	Bob Clark	

	Section 1: Background Information
1.	**What is the proposal / issue?**
	Continue to use Risk Based Verification (RBV) for new claims of Housing Benefit and Council Tax Support.
	The proposal is to amend the current policy to remove applying RBV for change of address applications as analysis has proved that there is no real gain in efficiency within this area of work.
	Through this amendment in policy it will allow staff resource to be allocated to review claims via the new Department for Work and Pensions (DWP) fraud initiatives including Wider Use Of Real Time Information (WURTI) on-line portal. This initiative identifies undeclared income changes and resultant overpayments of Housing Benefit for recovery.
	For high risks claims, apply additional use of Wider Use Of Real Time Information (WURTI) for a comprehensive review of income investigation.
2.	**What is the current situation?**
	Around 8,000 new claims for Housing Benefit and Council Tax Support are received and processed per year.
	As part of DWP Welfare Reform, new work initiatives continue to be introduced that the Council must comply with. This increases case load work for staff and a need to apply resource within the work areas of most gain.
	Applying RBV for new claim applications has increased efficiency of processing and improved performance.
	RBV is now an imbedded and accepted working practice within Revenue & Benefits.
	Customers are now more accustomed to the requirements for providing evidence depending on their risk rating.
3.	**What options have been considered?**
	Continuation of Risk Based Verification with amended policy.
	Revert back to the previous way of working, verifying the same amount of evidence for all new claims. However, this is a less effective and resource intensive process when compared to the benefits of Risk Based Verification and less likely to identify cases of fraud.

4.	**How does this proposal support the ambitions, principles and delivery of the Corporate Plan?**
	Risk Based Verification provides a quicker, more efficient and less onerous service for many of the Council's customers supporting the Council's aspiration to deliver better and more efficient front line services.
5.	**How does this proposal contribute towards the Council's responsibilities as corporate parents?**
	This policy supports the efficient processing of new claims for Housing Benefit and Council Tax Support enabling payments to be issued promptly. This supports payments of rent being made at the earliest opportunity reducing the risk of rent arrears and escalating debt. This assists to protect secure households and reduces the risk of homelessness.
	Ongoing relationships with Adult services, Children's services and other local support agencies to ensure that vulnerable households are claiming the appropriate financial support to assist them with payment of their rent.
6.	**How does this proposal tackle deprivation?**
	Through improved processing times of new claims for Housing Benefit and Council Tax Support this supports customer's budget and money management for payment of their rent.
7.	**Who will be affected by this proposal and who do you need to consult with?**
	There has been no consultation as the policy will benefit all stakeholders by continuing to reduce the burden of evidence that needs to be supplied for claims verification purposes and reducing processing times of claims.
8.	**How will you propose to consult?**
	Not applicable for this proposal.

	Section 2: Implications and Impact Assessment
9.	**What are the financial and legal implications?** On-going costs of the Risk Based Verification technology are contained within existing budgets. The contract for the Risk Based Verification IT system is for two years and will then re-evaluated. This proposal is for the second year of this agreement. There is a mandatory requirement to have a Risk Based Verification Policy that details risk profiles, verification standards and the minimum number of claims to be checked, which is set out in Appendix 1. The policy complies with the recommendations from the Department of Work and Pensions outlined in Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011, see Appendix 2. It should be noted that this policy will be the basis on which the Council is audited. For this reason, the policy is approved by Members and the Council's Section 151 Officer. External auditors check the annual certification process that the Council has followed its Risk Based Verification Policy. Failure to do so could result in subsidy implications, meaning there could be a cost to the Council. This will be monitored closely to ensure that subsidy is not affected. The verification levels laid out in Torbay's Policy is common practice and has been live in a number of other local authorities who have not had their subsidy claims challenged in this respect during their annual audit. The policy must be reviewed annually but not changed in-year as this would complicate the audit process.
10.	**What are the risks?** The risks of not implementing the revised RBV Policy are as follows: The volume of fraud and error claims detected will be compromised by not using a risk score identification matrix. Staff and customers will have difficulty reverting back to "old rules" evidence requirements. Increased processing times. Increased levels of customer contact chasing progress of unprocessed applications. Potential loss of subsidy income due to decrease in performance processing times. Additional processing staff would be required to absorb the increased administration work in processing applications without RBV.

11.	**Public Services Value (Social Value) Act 2012** The Council is contracted to the Civica Open Revenues IT system, which is used to administer all aspects of Council Tax, Non-Domestic Rates, BID, Housing Benefit and Council Tax Support administration.
12.	**What evidence / data / research have you gathered in relation to this proposal?** This scheme was introduced in December 2016 in Torbay and has been piloted in other local authorities and rolled out nationally from November 2011, allowing the Council to benefit from experiences of others. The results are in line with the anticipated risk categories. The RBV procedure has assisted in supporting the continued improvement in processing time for new claims. Target 28 days – current average Year To Date – 21 days. The scheme compliments the rationalisation of front facing customer contact due to the due reduced need for supporting documentation to accompany new claims.
13.	**What are key findings from the consultation you have carried out?** Not applicable for this proposal
14.	**Amendments to Proposal / Mitigating Actions** Not applicable for this proposal

Equality Impacts

15	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	**Negative Impact & Mitigating Actions**	**Neutral Impact**
	Older or younger people			No adverse impact has been identified.
	People with caring Responsibilities			No adverse impact has been identified.
	People with a disability			No adverse impact has been identified.
	Women or men			No adverse impact has been identified.
	People who are black or from a minority ethnic background (BME) *(Please note Gypsies / Roma are within this community)*			No adverse impact has been identified.
	Religion or belief (including lack of belief)			No adverse impact has been identified.
	People who are lesbian, gay or bisexual			No adverse impact has been identified.
	People who are transgendered			No adverse impact has been identified.
	People who are in a marriage or civil partnership			No adverse impact has been identified.
	Women who are pregnant / on maternity leave			No adverse impact has been identified.

	Socio-economic impacts (Including impact on child poverty issues and deprivation)			No adverse impact has been identified.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No adverse impact has been identified.
16	**Cumulative Impacts – Council wide** (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		
17	**Cumulative Impacts – Other public services** (proposed changes elsewhere which might worsen the impacts identified above)	Not applicable for this proposal.		