

Cherwell District Council

Accounts Audit and Risk Committee

17 March 2021

Housing Benefit and Council Tax Reduction Risk Based Verification

Report of Director of Finance

This report is public

Purpose of report

To provide members with an update on the Risk Based Verification (RBV) module including any impacts on the service and to seek approval for the RBV Policy for 2021-2022.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To approve the RBV policy for the financial year 2021-2022.

2.0 Introduction

- 2.1 Risk Based Verification is a method of applying different checks to new claims for Housing Benefit and Council Tax Reduction according to the risk associated with these claims. The aim is to reduce the burden on customers to provide excessive evidence and enable low risk claims to be assessed and put into payment more quickly. Efforts can then be concentrated on those claims with a high-risk category where there is an increased chance of fraud and error.
- 2.2 This report is to provide members with an update on the impact of RBV and to seek member approval for the policy for 2021-2022.

3.0 Report Details

Risk Based Verification

- 3.1 The RBV module was introduced in November 2017. An online application form is available for Housing Benefit and Council Tax Reduction new claims. This offers our customers the option of applying for help online and to have immediate confirmation

of the verification required to complete their claim. For customers who cannot apply online, the Customer Services Team continue to offer hard copy forms and/or appointments to assist with the online application. This has also helped to prepare our customers for Universal Credit Full Service which is an online process.

Impact of RBV

3.2 Historically Cherwell District Council adopted the DWP Verification Framework which

meant obtaining substantial evidence before determining claims for Housing Benefit and Council Tax Reduction. The introduction of RBV claims requires officers to adopt

a new approach to claim verification. It is also important that the overarching policy is applied as future subsidy audits will be based on this.

3.3 Each new claim received is allocated a risk score in real time of low, medium or high.

The evidence requirements will differ based on the risk score assigned with high risk claims requiring greater evidence to support the claims. The evidence requirements for each risk group are contained in the Risk Based Verification Policy a copy of which is shown in Appendix A of this report.

3.4 During the Covid-19 pandemic the Department for Work and Pensions allowed authorities to relax the requirement for customers to produce original documentation

and introduced the Trust and Protect principle which allowed local authorities to accept scanned or photocopied documents. The required evidence will be requested

once national restrictions have been relaxed.

3.5 From April 2020 to 31 December 2020 68% of claims were classed as low risk, 21%

medium risk and 11% high risk.

Performance Indicators and the impact of RBC on service delivery

3.6 The performance in Benefits is measured, in part, by two national indicators. The performance indicator for new claims is based on the number of claims assessed and

the average number of days taken to assess the claims. For changes in circumstances the indicator measures the number of changes and the average number of days taken to assess the change. As at 31st January 2021 the average time taken to assess new claims for benefit in 2020-2021 is 13.13 days against a local target of 15 days and a national average of 20 days. The average time taken to assess change events is 5.32 days against a local target of 8 days and a national average of 8 days.

Year	Average time taken to process new claims (days)	Average time taken to process changes (days)	National average Time taken to process new claims	National average time taken to process changes

17/18	24.87	9.3	22	8
18/19	13.63	7.82	21	8
19/20	11.5	5.	20	8

(The above national average time taken to process new claims and changes is derived from taking an average of the processing times for quarters one to four for each financial year).

- 3.7 The performance data shown above indicates that RBV continues to have a positive impact on performance, taking into consideration the national average figures and also the impact of the covid-19 pandemic including a sharp increase in the number of new claims made for benefit.
- 3.8 The impact on fraud and error is also being monitored against a robust baseline figure. The baseline figure measures the detection of fraud and error on claims found after assessment. On the introduction of RBV the baseline figure was 2.4%. Based on the period April 2020 to December 2020 that baseline figure is now 18%. This is slightly higher than we would expect and may be because the risk model is generating a higher than expected level of low risk scores on Universal Credit claims where upon further investigation there are earnings and/or other income.

RBV Policy

- 3.9 An updated RBV policy was approved by both members and the S151 Officer in May 2020. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 3.10 The policy for Cherwell District Council has now been reviewed (copy attached at Appendix A of this report). Some minor amendments have been made:
- The policy has been updated to reflect the Covid-19 Trust and Protect principle introduced by DWP.
 - The policy has also been updated to allow for information to be obtained from DWP real time data systems such as Searchlight and for earnings and pensions to be verified via DWP Verification of Earning and Pensions data.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Risk Based Verification is a method of applying different levels of checks to new claims for Housing Benefit and Council Tax Reduction based on a risk profile. This approach is an effective way of improving the time taken to assess claims for our customers, allows resources to be targeted and at the same time helps to prevent fraud and error.
- 4.2 Members are asked to note the contents of this report and to endorse some minor changes to the RBV policy for 2021-2022.

5.0 Consultation

- 5.1 When the original policy was proposed in 2017 consultation was carried out with officers and the policy was approved by the S151 Officer (Director of Finance) and by members. Although no formal consultation took place with residents or stakeholders the change was communicated, and the updated policy will be placed on the website.

6.0 Alternative Options and Reasons for Rejection

- 6.1 Option 1: As RBV is a voluntary scheme the alternative would be to not adopt the scheme and the verification process would revert to the original DWP requirement for full evidence to be provided on all new claims. This has been rejected as it is anticipated that the number of new claims received may continue to increase during the pandemic and it will become increasingly difficult to meet the current level of service if the verification requirements become more onerous.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications related to this report.

Comments checked by:
Michael Furniss, Assistant Director of Finance
01295 221845
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Legal Implications

- 7.2 There are no legal implications directly related to this report.

Comments checked by Chris Mace, Solicitor
Tel: 01295 221808
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Risk Implications

- 7.3 There are no risk management issues arising directly from this report.

Comments checked by Louise Tustian, Head of Insight and Corporate Programmes
Tel: 01295 221786
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Equalities

- 7.4 Risk Based Verification applies to all new claims for Housing Benefit and Council Tax Reduction. The mathematical model used to determine the risk score does not consider any of the protected characteristics contained within the Equalities Act. As such there are no equalities issues to note.

Comments checked by Belinda Green, Operations Director CSN Resources.
Email: Belinda.green@csnresources.co.uk

8.0 Decision Information

Key Decision (Executive reports only; state N/A if not Executive report)

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

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Lead Councillor

Councillor Tony Ilott -Lead Member for Financial Management and Governance

Document Information

Appendix number and title

- Appendix A

Background papers

None

Report Author and contact details

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