

# **Cherwell District Council**

## **Accounts Audit and Risk Committee**

**16 March 2022**

### **Housing Benefit and Council Tax Reduction Risk Based Verification**

#### **Report of Interim Assistant Director - Revenues and Benefits**

This report is public

#### **Purpose of report**

To provide members with details of the Risk Based Verification (RBV) policy and to seek approval for the RBV Policy for 2022-2023.

#### **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 2022-2023 at Appendix A.

#### **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.

#### **3.0 Report Details**

##### **Risk Based Verification (RBV)**

- 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 RBV requires officers to adopt a different 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 2021 to 30 November 2021 78% of claims were classed as low risk, 13% medium risk and 9% high risk.
- 3.6 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 2021 to 30 November 2021 that baseline figure was 2.52%.

## **RBV Policy**

- 3.7 An updated RBV policy was approved by both members and the S151 Officer in March 2021. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 3.8 The policy for Cherwell District Council has now been reviewed (copy attached at Appendix A of this report). There are only minor changes and these do not affect the substance of the policy.

## **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 the RBV policy for 2022-2023.

## **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 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 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 new financial implications related to this report. Any costs will be picked up within existing budgets. Applying a risk based score allows the Council to focus its resources on those highest risk applications.

Comments checked by:

Michael Furness, Assistant Director of Finance  
01295 221845, [michael.furness@cherwell-dc.gov.uk](mailto:michael.furness@cherwell-dc.gov.uk)

### **Legal Implications**

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

Comments checked by Chris Mace, Solicitor

01295 221808, [Christopher.mace@cherwell-dc.gov.uk](mailto:Christopher.mace@cherwell-dc.gov.uk)

### **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  
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### **Equalities Implications**

- 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 apply one of the protected characteristics i.e. age.

- 7.5 Other than age, no protected characteristics are used. The use of age in the model is supported by specific clauses in the Equalities Act 2010 and by Technical

Guidance on the Act written by the Equality and Human Rights Commission. Specifically, that age can be used in “the prevention of fraud or other forms of abuse or inappropriate use of services provided by the service provider.

Comments checked by:  
Emily Schofield, Acting Head of Strategy  
[Emily.schofield@cherwell-dc.gov.uk](mailto:Emily.schofield@cherwell-dc.gov.uk)

### **Sustainability Implications**

7.5 There are no sustainability implications arising directly from this report.

## **8.0 Decision Information**

**Key Decision :N/A**

**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: Risk Based Verification Policy

**Background papers**

None

**Report Author and contact details**

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