

Cherwell District Council

Accounts Audit and Risk Committee

26 July 2023

Housing Benefit and Council Tax Reduction Risk Based Verification

Report of Assistant Director of Finance & S151 Officer

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 reviewed RBV Policy for 2023/24.

1.0 Recommendations

The meeting is recommended

- 1.1 To note the contents of this report
- 1.2 To approve the Risk Based Verification policy for the financial year 2023/24 (Appendix 1).

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 1 of this report.
- 3.4 DWP suggests that around 55% of cases will be low risk, 25% medium risk and 20% high risk.
- 3.5 Performance using RBV will be monitored monthly to ensure its effectiveness. Reporting and monitoring will include as a minimum, the % of cases in each risk category and the levels of fraud and error detected in each.

RBV Policy

- 3.6 An updated RBV policy was approved by both members and the S151 Officer in March 2022. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 3.7 The policy for Cherwell District Council has now been reviewed (copy attached at Appendix 1 of this report). There are only minor changes and these do not affect the substance of the policy.
- 3.8 The evidence list and risk categories can be seen at Appendix 2.

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 reviewed RBV policy

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 cost of living crisis and it will become increasingly difficult to meet the current level of service if the verification requirements become more onerous. Without an RBV approach, all new customers would have to provide the maximum level of documentary evidence. This would place a greater burden on both claimants and the team assessing claims and result in slower claim processing times.

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
Michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 Applying the RBV policy meets the Council's legal obligations to verify information for Housing Benefit claims, as required by Regulation 86 of the Housing Benefit Regulations.

Comments checked by
Shahin Ismail, Interim Head of Legal Services
Shahin.ismail@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk management issues arising directly from this report. Any arising risk will be managed through the service operational risk and escalated to the Leadership Risk Register as and when necessary

Comments checked by:
Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556
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Equalities and Inclusion 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 Page 53 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.

- 7.6 All the council’s proposals, changes and decisions are done taken careful consideration of our commitments to equalities and inclusion as set in our equalities framework, keeping those principles at the core of all we do.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556

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8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected N/A

Links to Corporate Plan and Policy Framework

Work to prevent homelessness
Response to the Cost of Living Crisis

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Risk Based Verification Policy reviewed 2023/4
- Appendix 2 – Evidence List

Background papers

None

Report Author and contact details

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