

This report is public	
Risk Based Verification Policy 2024/2025	
Committee	Accounts Audit and Risk Committee
Date of Committee	20 March 2024
Portfolio Holder presenting the report	Portfolio Holder for Finance, Councillor Adam Nell
Date Portfolio Holder agreed report	29 February 2024
Report of	Assistant Director of Finance, Michael Furness

Purpose of report

To seek approval of the reviewed Risk Based Verification (RBV) Policy for 2024/25

1. Recommendations

The Accounts, Audit and Risk Committee resolves:

- 1.1 To note the contents of the report.
- 1.2 To approve the Risk Based Verification Policy for the financial year 2024/2025, as set out at Appendix 1 to this report.

2. Executive Summary

- 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 profile is determined by specific software using statistical information and experience about what type of claim represents what type of risk. The higher the risk, the greater the checks used to establish that the claim is genuine. 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 The RBV policy must be reviewed annually, and any changes must be referred to the Audit Committee for approval. In accordance with DWP guidance changes will not be made in-year as this would complicate the audit process

Implications & Impact Assessments

Implications	Commentary			
Finance	<p>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</p> <p>Leanne Lock – Strategic Business Partner</p>			
Legal	<p>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. In order to ensure that the RBV policy is working it may be helpful to compare data from previous years to see if there is a similar trend in claims made and awarded across the categories. Consideration should also be given as to any data protection issues that could arise if personal information is added to the system and stored.</p> <p>Shahin Ismail, interim Head of Legal Services</p>			
Risk Management	<p>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</p> <p>Celia Prado-Teeling, Performance Team Leader</p>			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				<p>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</p> <p>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.</p> <p>All 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.</p> <p>Celia Prado-Teeling, Performance Team Leader</p>

A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		As set out above
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		As set out above
Climate & Environmental Impact				N/A
ICT & Digital Impact				N/A
Data Impact				N/A
Procurement & subsidy				N/A
Council Priorities	Housing that meets your needs. This work supports the efficient delivery of Housing Benefit and Council Tax Reduction application which help to prevent homelessness and support vulnerable residents.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	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. No material changes are proposed to the policy.			

Supporting Information

3. Background

- 3.1 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 having 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.

4. Details

- 4.1 The RBV module was introduced in November 2017. An online application form is available for new Housing Benefit and Council Tax Reduction 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.
- 4.2 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.
- 4.3 DWP suggests that around 55% of cases will be low risk, 25% medium risk and 20% high risk.
- 4.4 Performance using RBV will be monitored monthly to ensure its effectiveness. Reporting and monitoring will include as a minimum, the percentage of cases in each risk category and the levels of fraud and error detected in each.
- 4.5 An updated RBV policy was approved by both members and the S151 Officer in July 2023. This policy must be reviewed each year but cannot be amended in-year as this would complicate the subsidy audit process.
- 4.6 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.
- 4.7 The evidence list and risk categories can be seen on Appendix 2.

5. Alternative Options and Reasons for Rejection

- 5.1 The following alternative options have been identified and rejected for the reasons as set out below.

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 (i.e. all claimants would be treated as being categorised “red”). 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.

6 Conclusion and Reasons for Recommendations

- 6.1 The RBV policy must be reviewed annually, and any changes must be referred to the Accounts, Audit and Risk Committee for approval. In accordance with DWP guidance changes will not be made in-year as this would complicate the audit process. The required review having been undertaken, the RBV Policy for 2024/2025 is recommended for agreement.

Decision Information

Key Decision	No
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Risk Based Verification Policy 2024/2025
Appendix 2	List of evidence
Appendix 3	Equality Impact Assessment
Background Papers	N/A
Reference Papers	N/A
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