

HOUSING BENEFIT RISK BASED VERIFICATION POLICY

1 Purpose

- 1.1 To enable the Committee to comment on the Housing Benefit risk based verification policy, that will be reported to Cabinet for consideration on 6 September 2017.

2 Recommendations/for decision

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| 2.1 To consider what, if any, comments the Committee wish Cabinet to take into account in adopting the process for risk based verification for verifying Housing Benefit and Council Tax Reduction claims. |
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3 Information

- 3.1 The Housing Benefit and Council Tax Reduction schemes (“Housing Benefit”) are cornerstones of the Welfare State. Nationally, nearly £25 billion is paid out in total per annum. At November 2011, the total number of people claiming Housing Benefit was 4.94 million, with 5.87 million claiming Council Tax Reduction.
- 3.2 In the early 1990’s the Department for Work and Pensions (DWP) introduced a “verification framework policy” for administering Housing and Council Tax Benefit claims. This was a voluntary policy that strongly recommended that local Councils should obtain a substantial amount of documentary evidence, carry out numerous pre-payment checks and visits before making any payment.
- 3.3 The verification framework proved to be both costly and caused significant delays in processing. It had to be applied to all claims and there was little scope for local discretion. Although it was abandoned in 2006 by DWP, most Council’s including AVDC have continued to use at least some of the guidelines set out in the framework.
- 3.4 In 2011, the DWP allowed a limited number of Councils to pilot a different type of scheme to try to reduce fraud and error; based on Risk Based Verification (RBV) principles. This concentrates on the risk profile of each claimant; resources can then be targeted at the higher risk groups where most of the fraud and error will be. It is an approach used by many public services as well as businesses in the commercial world; from finance to the chemical industry, the police and immigration authorities. The pilots have been a success and the DWP has confirmed that all Councils can now adopt this approach (Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011 attached at Appendix C).
- 3.5 It is intended that RBV will apply to new Housing Benefit claims, Council Tax Reduction and Changes in Circumstances. However, once implemented it can be used for reviews and overpayments.
- 3.6 The Benefits Service has conducted a Fundamental Service Review over the last year. The implementation of Risk Based Verification is a recommendation from that process. This is to reduce the burden on customers to provide excessive evidence, and reduce the cost of administering claims by reducing the correspondence with customers in chasing evidence, and the scanning of that evidence. It is intended that RBV is implemented for new claims by the Council from 1 October 2017. It is believed that this step will provide an

improved service for customers and contribute to a significant reduction in costs.

4. Background

- 4.1 Detailed information on the background (AVDC must adhere to Housing Benefits legislation), the risk based verification methodology and how AVDC intends to apply it are included in the attached Cabinet report.
- 4.2 The Cabinet report also contains information on how the policy will be recorded and monitored. Training will be provided for all officers using Risk Based Verification to ensure the agreed processes, procedures and guidelines are adhered to. Discussions will take place with all internal and external stakeholders including Investigation staff, Housing staff, Social landlords and the Voluntary sector so that they are fully aware of the change.
- 4.3 The Scrutiny Committee is invited to consider any views they might wish Cabinet to take into account in adopting the process for risk based verification for verifying Housing Benefit and Council Tax Reduction claims.

5. Reasons for Recommendations / Business Case / Financial and Legal Implications

- 5.1 These are set out in the attached Cabinet report.

Contact Officer
Background Documents

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