SUBJECT:	*Review of Risk Based Verification Policy*
REPORT OF:	*Customer Services and Business Support Portfolio Holder Cllr Duncan Smith*
RESPONSIBLE OFFICER	*Nicola Ellis – Head of Customer Services*
REPORT AUTHOR	*Nicola Ellis – Head of Customer Services Nellis@chiltern.gov.uk*
WARD/S AFFECTED	*All*

1. Purpose of Report

This report is for the committee to review and approve the revised policy to be used for the assessment of Housing Benefit and Council Tax Support claims from 1st April 2018.

RECOMMENDATIONS

1.   That the revised risk based verification policy shown at confidential Appendix A be approved and adopted for the assessment of Housing Benefit and Council Tax Support claims from 1st April 2018.

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2. Reasons for Recommendations

2.1 The continuing use of Risk Based Verification will support improved processing times and focus resources on claims that may contain fraud or error.

3. Risk Based Verification (RBV)

3.1 South Bucks District Council adopted RBV in October 2015. The process is now embedded into the claim process and assists in providing a customer focused service to support the new claim process, enabling quick turn arounds for the majority of claims.

3.2 In adopting RBV there is still the obligation to obtain all the facts and make an accurate assessment but there is not the need to gather full documentary evidence in all cases.

3.3 Claims are assessed prior to payment and put into one of three categories – **Low** Risk, **Medium** Risk or **High** Risk and this determines the requirement to gather proof. The risk category is determined by software using statistical information and experience gathered over many years about what type of claims represents what type of risk.

3.4 **Low** Risk – Over the past year an average of 52% of all new claims will be deemed to be low risk. Low risk claims will normally be paid based on the information provided on the claim form.

These claims are more likely to be non-working claimants with low capital, lower Council Tax Band and living in Housing Association property. Mostly receiving Jobseekers Allowance, Income Support or Employment Support Allowance

Medium Risk - 27% of claims were deemed to be medium risk. Additional information and evidence will normally be required for this group of claims.

These claims are typically couples aged 45-64 with children aged up to 10, working and with capital over £6,000. Mostly they are not receiving DWP passported benefits.

High Risk – The remaining 21% of claims were deemed to be high risk. As well as a full verification check, additional checks will also be carried out on this type of claim. This may involve telephone checks, visits, credit reference agency checks etc.

These claims are typically couples aged 35-54. Many not working or working part time with some 'other' income. A large number would have over £6,000 in capital. Mostly they are not receiving passported benefits and are claiming Council Tax Support or Housing Benefit and Council Tax Support with a bias to having a previous claim.

*Note – the descriptions of typical risk group type are very generalised and for illustrative purposes only

Once the category is identified, individual claims cannot be downgraded by an assessor to a lower risk group. They can however, exceptionally be upgraded with the approval of a senior officer if the assessor has reasons to think this is appropriate. All cases which are upgraded will be recorded along with the reasons for doing so.

Claimants in each risk group will be required to provide differing levels of information and documentation before their claim can be processed. The table within the policy at Appendix A shows the requirements in more detail.

4. Benefits of continuing with Risk Based Verification

4.1 The continued use of Risk Based Verification provides the following benefits to customers and the Council.

- Improving claim processing times, especially for those claims assessed as low risk
- More focused customer contact
- Reduction in both incoming and outgoing post and associated scanning and indexing
- Improved opportunities to identify fraud and error.

4.2 The RBV policy will be reviewed annually and any changes will be referred to the Audit Committee for approval. In accordance with DWP guidance changes to the policy will not be made in-year as this would complicate the audit process.

5. Options

5.1 To discontinue using Risk Based Verification and revert to full verification of claims. .

6.   Corporate Implications

6.1 Financial if RBV policy continues no financial implications beyond existing commitments.

- Legal Regulation 86 of the Housing Benefit Regulations 2006 states;

  'a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or the award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person's entitlement to, or continuing entitlement to housing benefit and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.'

- Use of Risk Based Verification is not a legal requirement it complies with the recommendations from the Department for Work and Pensions (DWP) outlined in the Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011.

6.2 Equalities
- The Policy applies equally to all claimants, therefore no equalities issues arise.

7.   Links to Council Policy Objectives

7.1 Risk Based Verification works towards the Councils objective of delivering cost effective customer focused services

8.   Next Step

8.1 If the policy is approved all new claims will be assessed using the revised Risk Based Verification with effect from 1 April 2018.

Background Papers:	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633018/s11-2011.pdf