CABINET

21st March 2017

RISK BASED VERIFICATION POLICY

Report of the Director for Resources

Strategic Aim:	Sound financial and workforce planning	
Key Decision: No	Forward Plan Reference: FP/100217/02	
Reason for Urgency:	N/A	
Exempt Information	Yes, Appendix A Part 1 of schedule 12 to the Local Government Act 1972 Paragraph 7-Information relating to any action taken in connection with the prevention, investigation or prosecution of crime.	
Cabinet Member(s) Responsible:	Councillor Oliver Hemsley, Deputy Leader and Portfolio Holder for Growth, Trading Services and Resources (except Finance)	
Contact Officer(s):	Saverio Della Rocca, Assistant Director - Finance	01572 758159 sdellarocca@rutland.gov.uk
	Andrea Grinney, Revenues and Benefits Manager	01572 758227 agrinney@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS
That Cabinet approves the Risk Based Verification Policy detailed at Appendix A as recommended by the Council's Section 151 officer (Assistant Director – Finance).

1   PURPOSE OF THE REPORT

1.1   The purpose of this report is to seek approval of a Risk Based Verification Policy for the administration of Housing Benefit and Local Council Tax Support (LCTS).

2   BACKGROUND AND MAIN CONSIDERATIONS

2.1   In the early 1990's the Department for Work and Pensions (DWP) introduced a Verification Framework for administering Housing Benefit (HB) and Council Tax Benefit (CTB). It was abandoned by the DWP in 2006, but most council's including us continued to use at least some of the guidelines in order to reduce and prevent fraud and error.

2.2   In 2011 the DWP conducted a pilot for Risk Based Verification (RBV) with a limited number of councils to establish principles. The pilot was successful and all councils are now able to adopt RBV following DWP guidance. (Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011 – Appendix B).

3   RISK BASED VERIFICATION

3.1   RBV is a method of applying different levels of checks to different claimants depending on their circumstances using a risk matrix. The higher the risk the higher amount of resources will be used to establish that the claim is genuine.

3.2   In order to proceed with implementing RBV we must comply with DWP guidance which states that we must have a policy in place that has been approved by Members (in our case Cabinet) and recommended by the Section 151 Officer. The policy should details the risk profiles, verification standards and the minimum number of claims that will be checked. The Policy itself should not be made publically available. The RBV policy is detailed at Exempt Appendix A.

3.3   Details of how RBV works are set out in HB/CTB Circular S11/2011 (attached at Appendix B).

3.4   Upon approval, officers will proceed with implementation which is expected to take around 6 weeks and includes: software set-up, configuration and testing, staff training, a transition period for work in progress claims and determining reporting and monthly monitoring requirements, quality control measures and performance checks.

3.5   Officers will establish a robust baseline to measure the level of fraud and error within the County. The policy will be reviewed annually and not changed within year. Auditors will check that the Policy is adhered to as part of certifying the annual subsidy claim.

4   CONSULTATION

4.1   Consultation is not required for any decision being sought in this report.

5   ALTERNATIVE OPTIONS

5.1   The Council could retain its current arrangements but this approach would not deliver the following benefits:

- RBV improves the customer journey as it reduces the burden of proving documentary evidence that claimants are asked to provide and makes claim processing quicker. Low risk claimants will only need to provide proof of their identity.

- RBV reduces overpayments as there is greater opportunity to spot errors in medium and high risk claims. National statistics indicate that only 24% of housing benefit overpayments is recovered. Our performance is in line with this.

- RBV reduces the overall cost of claims processing giving savings to both Customer Services and the Benefits team.

6 FINANCIAL IMPLICATIONS

6.1 The cost of the software can be met from existing budgets as a result of undertaking a service review.

6.2 The Revenues and Benefits service review has reduced capacity within the team in anticipation that better use is made of technology. If RBV is not implemented other resources will need to be allocated to support benefit claim administration and reduced in other areas which will impact on billing, collection and recovery of local taxes.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 The Council will be required to adhere to the adopted RBV Policy, failure to do so may result in the External Auditor issuing a Qualifying Letter. This may have implications in terms of the level of subsidy agreed.

8 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact questionnaire has been completed and there are no specific issues arising from the introduction of a Risk Based Verification policy.

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications arising from this report.

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and safety implications arising from this report.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 Members are required to approved a Risk based Verification policy prior to implementation by officers.

12 BACKGROUND PAPERS

12.1 There are no additional background papers to the report.

13 APPENDICES

13.1 Exempt Appendix A Risk Based Verification Policy

13.2 Appendix B Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011

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