Chichester District Council

THE CABINET   **3 October 2017**

Housing Benefit and Council Tax Reduction
Risk Based Verification Policy 2018 - 2019

1. Contacts

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2. Recommendation

2.1.   That the Cabinet approves the introduction of a Risk Based Verification (RBV) Policy for the purpose of assessing claims for Housing Benefit and Council Tax Reduction with effect from 1 December 2017.

2.2.   That the Cabinet grants delegated authority to the Head of Finance and Governance Services to make minor amendments to the RBV policy following consultation with the Cabinet Member for Finance and Governance Services.

3. Background

3.1.   Risk Based Verification (RBV) is a method of applying different levels of checks to a Housing Benefit or Council Tax Reduction claim based on the level of risk associated with a particular claim. The adoption of a RBV Policy allows an authority to allocate its resources to those claims that are considered to be higher risk. This enables the Authority to improve its claim processing times, to improve efficiency in administration and to reduce fraud and error.

4. Outcomes to be Achieved

4.1.   The introduction of this Policy will enable the benefits service to improve its new claims and change of circumstances processing times, as the administration of the scheme becomes more efficient. This will enable the service to provide an increased standard of check to claims that are determined to be higher risk, which will reduce fraud and error in the caseload.

4.2.   Consequently Chichester District Council (CDC) can expect to see improved Local Performance Indicator outturns for New Claims and Changes. This will improve the level of service provided to its communities. It also aims to reduce fraud and error and the level of benefit that is overpaid. The success of the policy will be monitored and measured by considering these outturns, adapting the policy for future years as necessary.

5. Proposal

5.1. It is proposed that the Cabinet approves the RBV Policy attached in appendix 1 to commence on 1 December 2017. It is intended that this Policy runs through to 31 March 2019. The Policy should be adopted annually however as it is intended to implement the Policy mid-year it is proposed that this policy run through the next financial year to avoid it having to be taken through the Cabinet approval process in quick succession.

5.2. Adopting the Policy on 1 December 2017 enables CDC to gain the maximum benefit from CA-Bens (a Northgate product which enables claimants of Housing Benefit and Council Tax Reduction to self-serve). This will ensure that the Revenues Department remain on target in terms of Channel Shift.

5.3. As indicated CDC will achieve efficiency savings in terms of administration which will enable them to direct resources to reduce fraud and error.

5.4. It is proposed that the Policy be implemented on 1 December 2017. The progress will then be monitored to ensure the Policy is relevant in terms of the caseload. In particular the number of visits that are selected and ensuring that this remains workable given staff resources. Any adjustments will then be made for the following years Policy. The resources that are gained by the change in process will be utilised in ensuring that the Policy is adhered to and remains relevant.

5.5. The Policy will be reviewed annually. However it is proposed that if the Policy achieves what is expected for the period 1 December to 31 March 2018 that it carries forward until the end of March 2019, with minor amendments being delegated to the Head of Finance and Governance Services. Should a significant alteration be required a further report will be brought to cabinet.

6. Alternatives that have been Considered

6.1. The adoption of an RBV policy is not compulsory, therefore one alternative is to do nothing. Taking this approach would give limited scope to improve efficiencies and performance. It would also mean that resources would not be effectively directed to reducing fraud and error.

7. Resource and Legal Implications

7.1. The Policy must be complied with in order to satisfy external auditors. Audit guidance states that it needs to ensure that:
   (a) A report from the Section 151 Officer (section 85 for Scotland) was made to Members before the RBV policy was approved;
   (b) The RBV policy has been formally approved by members;
   (c) The RBV policy has been reviewed annually (after the first year of introduction) and not changed in year; and
   (d) The RBV claim or RBV change of circumstance has been verified in accordance with the local authority's RBV policy.

7.2. It is noted by the audit guidance that a local authority can introduce RBV at any time during the financial year provided the effective date of introduction is clear and the

Local Authority keeps a clear record of the verification conducted and can identify the different sub-populations of RBV cases.

7.3. Additional staff resource will be gained from the efficiency that adopting this Policy applies, combined with the introduction of CA-Bens. This additional resource will be utilised in ensuring that RBV policy is being complied with and the directing resource to reducing fraud and error.

7.4. The adoption of this Policy requires the purchase of the Northgate RBV software module which has been purchased under the wider CA-Bens implementation project. The module requires minimal ongoing service support, therefore there are no additional financial or IT requirements at this stage.

8. Consultation

8.1. No formal consultation with internal or external stakeholders has been carried out as it is not considered relevant. However CDC's current external auditors Ernst Young have been consulted and they have advised as detailed in the previous section.

9. Community Impact and Corporate Risks

9.1. The users of the benefits service will experience a more efficient service. Claims that are considered low risk will have to provide less evidence to support their application or their declared change in circumstance. This will enable claims to be decided quicker and therefore payments made on time. Those claims deemed to present a higher risk will be scrutinised more closely, however as the resource is less stretched this should be more efficient, the risk of fraud and error particularly in these high risk cases is also greatly reduced.

9.2. There is a risk that fraud and error will remain this will be mitigated by monitoring. A process will be implemented enabling a sample of those cases that are deemed to be low risk to be checked to ensure that fraud and error is at an acceptable level.

9.3. Furthermore there is a risk that he Policy will not be adhered to by staff, or that either side of the implementation date that cases are handled with the incorrect verification process. This will be mitigated by increased checking and monitoring, particularly around the point of implementation.

10. Other Implications

	Yes	No
Crime and Disorder	X	
Climate Change		X
Human Rights and Equality Impact		X
Safeguarding		X

11. Appendices

11.1 RBV policy document

12. Background Papers

12.1 None