

# Title of report: Housing Benefit Risk Based Verification Policy

**Meeting: Cabinet**

**Meeting date: Thursday 28 September 2023**

**Cabinet member: Peter Stoddart, Finance and Corporate Services**

**Report by: Director of Resources and Assurance**

**Report Author: Rachael Hart, Head of Strategic Finance and deputy s.151**

## **Classification**

This report is open but Appendix 2 is exempt under paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) and paragraph 7 (Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of Schedule 12A to the Local Government Act 1972 and in both instances the public interest in maintaining the exemption outweighs that in disclosing the information.

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

To approve the adoption of the Risk Based Verification Policy in determining evidence requirements for the assessment of Housing Benefit and Council Tax Benefit claims.

## **Recommendation(s)**

**That:**

- a) **Cabinet approve the Housing Benefit Risk Based Verification Policy for 2024/25 and notes that the Policy has been effective for the period since initial implementation, as recommended by the Section 151 Officer.**

## **Alternative options**

1. There are no alternatives to the recommendation; the annual approval of the RBV policy by the council's Section 151 Officer and Members is required as part of the annual subsidy and audit requirement for Housing Benefit Claims.

## **Key considerations**

2. Risk Based Verification (RBV) is used when processing all claims to Housing Benefit and Council Tax Support. RBV allows the council to focus resources on the claims where there is a higher likelihood of fraud and error and to pay low risk claims more efficiently.
3. The council has used this method of verification since 2012/13 as permitted by the Department for Work and Pensions (DWP) and the external audit testing for the Housing Benefit Assurance Process has been undertaken on an RBV basis to comply with the required testing procedures. RBV is a software application designed to profile benefit claim data to produce a risk score. The risk score is derived from a mathematical assessment based on historical intelligence and statistical information about which claim types represent particular risks. For the purpose of applying verification on a risk basis, each claim is ranked into one of three categories; Low, Medium and High Risk with verification and documentary evidence requirements aligned to each risk profile.

## **Community impact**

4. The council provides discounts to eligible residents including the Council Tax Reduction scheme and other discounts listed on the council's website. Verifying the eligibility of claims minimises the risk of incorrect claims and the risk of fraud and error to the council.

## **Environmental Impact**

5. Whilst this decision will have minimal environmental impact, consideration has been made to minimise waste and resource use in line with the council's environmental policy.

## **Equality duty**

6. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
  - d) The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
7. The Risk Based Verification approach applies equally to all claimants; therefore, no equalities issues arise.

## **Resource implications**

8. The resources required for verification purposes are contained within existing budgets. Adoption of the policy enables process efficiencies and supports the prevention and detection of fraud and error.

## **Legal implications**

9. HB/CTB Circular S11/2011 sets out the legal implications and best practice recommendations should an authority choose to implement a Risk Based Verification approach.
10. Housing Regulation 86 and Council Tax Benefit Regulation 72 of the Social Security Act 1992 sets out the minimum level of evidence required and HB/CTB Circular S11/2011 provides further guidance by advising:
  - a. All Local Authorities opting to apply RBV will be required to have in place an RBV Policy detailing the risk profiles, verification standards which will apply and the minimum number of claims to be checked.
  - b. The Policy must be submitted for Members' approval and sign-off along with a covering report confirming the Section 151 Officer's agreement. The information held in the Policy, which would include the risk categories, should not be made public due to the sensitivity of its contents.
  - c. The Policy must allow Members, officers and external auditors to be clear about the levels of verification necessary. It must be reviewed annually but not changed in-year as this would complicate the audit process. It is also considered good practice for the Policy to be examined by the authority's Audit and Governance Committee. The Policy must be submitted for Members' approval and sign-off along with approval from the Section 151 Officer.

## **Risk management**

11. The RBV method aligns verification and evidence requirements to assessed levels of risk. External audit requirements ensure that application of the policy is reviewed as part of audit procedures and submission of the claim to DWP.

## **Consultees**

12. None.

## **Appendices**

None.

## **Background papers**

Appendix 1: Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011

Appendix 2: Risk Based Verification Policy 2024/25 (Exempt)