

# EXECUTIVE

LEADER: Cllr Christophers

EXECUTIVE PORTFOLIO-HOLDER: Cllr Stuart Barker

**DATE:** 12 April 2016

**REPORT OF:** Tracey Hooper – Revenue, Benefits & Fraud Manager

**SUBJECT:** Risk Based Verification

**PART I – Report**

**PART II – Appendix 1**

## **Recommendation**

That the Executive approve the Risk Based Verification Policy detailed at Appendix 1.

## **Purpose**

The purpose of this report is to ask Members to approve the Risk Based Verification policy for the coming year.

## **Background**

Housing Benefit Regulations require local authorities to obtain information which allows an accurate assessment of a claimant's entitlement to benefit to be made. However with the exception of a national insurance number and proof of identity, they do not specify what evidence is required in support of the claim. Consequently over the years, quality checking and fraud detection have led to a complex and burdensome process of verification.

In 2011 the Department for Work & Pensions (DWP) changed this requirement and now allows local authorities to carry out this verification using a risk based approach for new benefit claims.

Risk Based Verification is a method of applying different levels of checks to new Housing Benefit claims according to the risk associated with those claims. Claims are assessed prior to payment and put into 1 of 3 categories – **Low, Medium or High** and this determines the requirement to gather evidence. The risk category is determined by proprietary software using statistical information and experience gathered over many years about what type of claim represents what level of risk.

Teignbridge adopted this new approach with effect from June 2013 following consideration of the policy by Audit Scrutiny Committee on 21 March 2013.

## TEIGNBRIDGE DISTRICT COUNCIL

We have monitored the effectiveness of RBV since its introduction and can report as follows:

### Current distribution of risk scores

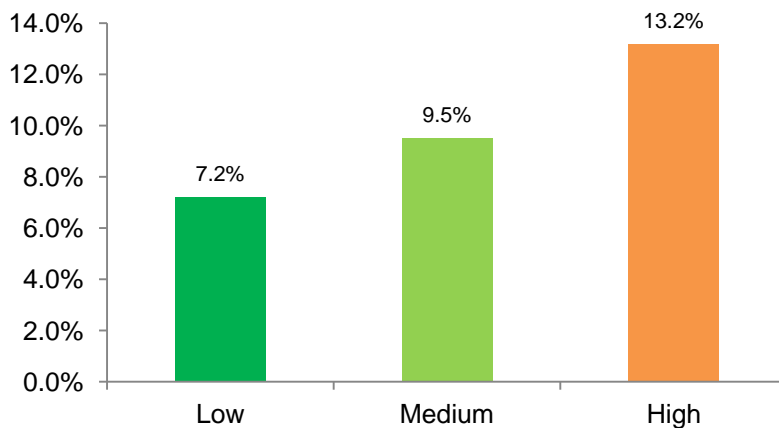
Low – 49%

Medium – 35%

High – 16%

These scores fall within the expected risk score tolerances.

### Error Detection Rate



The range of detection rates is as expected across the risk groups.

We have also monitored overall fraud detection against our baseline and have established that we are detecting higher levels of fraud and error than we were prior to the introduction of RBV.

### Performance

Over the period that RBV has been in place, there has been a 39%<sup>1</sup> improvement in processing times for new claims with cases now taking an average of just over 14 days<sup>2</sup> between receipt and decision date.

49% of new claims are returned as low risk which means more resources are targeted at the medium and high risk cases.

### DWP Requirements

The DWP require any local authority adopting RBV to have in place a RBV policy and for this to be reviewed on an annual basis. The DWP circular S11/2011 issues guidance on what should be contained in the policy and who should approve it. We drew up our RBV policy in accordance with these guidelines and the original policy was approved on 21 March 2013. It was subject to review for 2015-16 and approved by Audit Scrutiny on 27 March 2015.

The policy has been reviewed and updated for 2016-17 by the following designated officers: Principal Benefits Officer, Revenue, Benefits and Fraud Manager and Chief Finance Officer, and is now submitted for approval for the year 2016-17.

<sup>1</sup> Processing times for 2012/13 - 23.21 days

<sup>2</sup> Processing times for 2014/15 – 14.24 days

## TEIGNBRIDGE DISTRICT COUNCIL

### Timescale

The policy needs to be approved in order to take effect in 2016-17.

**Tracey Hooper**  
**Revenue, Benefits & Fraud Manager**

<b>Wards affected</b>	None
<b>Contact for any more information</b>	Tracey Hooper Ext 5266
<b>Background Papers (For Part I reports only)</b>	Audit Scrutiny Report 21 March 2013
<b>Key Decision</b>	No
<b>In Forward Plan</b>	No
<b>In O&amp;S Work Programme</b>	No
<b>Community Impact Assessment attached:</b>	Not required
<b>Appendices attached:</b>	Appendix 1 – RBV Policy,