

**Report for:** Corporate Committee on 30<sup>th</sup> July 2020

**Title:** Risk Based Verification (RBV) policy for Housing Benefit and Council Tax Reduction claims

**Report authorised by:** Andy Briggs, Assistant Director for Corporate and Customer Services

**Lead Officer:** Helen Hili, Service Manager  
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**Ward(s) affected:** All

**Report for Key/  
Non-Key Decision:** Non-Key

## **1. Describe the issue under consideration**

- 1.1 As part of the Front Office Back Office (FOBO) Transformation Programme, the Council introduced a Risk Based Verification (RBV) policy to assist with the processing of Housing Benefit and Council Tax Reduction claims.
- 1.2 RBV relates to the level of checks that are undertaken on a claim before benefit is awarded. Its primary purpose is to target resources to where fraud and error are more likely to occur and thus help minimise fraud and error.
- 1.3 In the normal course of events, there would be a requirement for an annual review of the RBV policy to take place. However, given the impact of Covid-19, the Government has issued advice which suspends the need for a review to take place.
- 1.4 Members views are being sought on whether or not to adopt the Government advice.

## **2. Cabinet Member Introduction**

N/A

## **3. Recommendations**

Corporate Committee is recommended to:

- 3.1. Note and agree that the Council's RBV policy should continue;
- 3.2. Note and agree the officer view that there is no need to review the RBV policy for the year 2020/21;
- 3.3. Make a Recommendation to Cabinet for it to adopt Recommendations 3.1 and 3.2 above.

#### **4. Reasons for decision**

- 4.1. To continue to help reduce fraud and error in the processing of Benefit claims by targeting our resources to those claims which provide a higher risk of fraud and error.
- 4.2. To continue to reduce processing times for customers whose claims are at low risk of fraud and error. The software company has confirmed that low risk category claims see improvements in processing times up to an average of 10 days per claim

#### **5. Alternative options considered**

- 5.1. For the reasons contained in the report, no other option was considered.

#### **6. Background information**

- 6.1. The policy was presented to, and agreed at, Corporate Committee on 25<sup>th</sup> July 2019.
- 6.2. Circular HB/CTB S11/2011 states: 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.
- 6.3. In light of the impact of Covid-19, further clarifying restricted bulletin advice was issued by the Department for Work and Pensions on 20<sup>th</sup> April 2020, a copy of which is at Appendix A to the report.
- 6.4. Whilst there is a requirement for the Policy to remain in force, there is no longer a requirement for the annual review to take place of the 2020/21 policy, subject to there being no need to make changes which are not Covid-19 based.
- 6.5. Having conducted a review of the policy, officers can confirm that no need to make changes arises.

#### **7. Contribution to strategic outcomes**

- 7.1. The policy will contribute to Your Council Priority, specifically outcome 20: Using our resources in a sustainable way to prioritise the needs of the most vulnerable residents
  - It will provide value for money by targeting our limited resources to areas where we are most likely to prevent fraud and error.
  - By preventing fraud and error we are protecting the council's finances.
  - It will allow us to process low risk claims much quicker providing a better service to those customers.

## 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

### Finance – Section 151 Officer comments

Risk Based Verification is a key element of process automation that has contributed to the Customer First Transformation Programme savings for the Benefits Service that were included in the Medium Term Financial Strategy.

In addition, targeting resources to those claims which pose a higher risk helps to mitigate the risk of benefit overpayment and its potentially adverse impact on Housing Subsidy loss.

To minimise the risk of adverse financial consequences RBV performance is monitored monthly and, under normal circumstances, the policy is reviewed annually.

### Head of Audit & Risk Management

Effective use of risk management entails focusing and targeting resources to those claims that present higher risk. The verification framework is predicated on the effective identification of risks and the management of claims and sets out how the service will monitor the effectiveness of operations. The internal audit plan for 2020/21 will examine the arrangements put in place and provide assurance over the management of risks in processing benefit claims.

### Legal

The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and makes the following comments.

Paragraph 15 of HB/CTB Circular S11/2011 states that an RBV 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*”.

However, on 20<sup>th</sup> April 2020, the Department for Work and Pensions issued further restricted from publication outside of the Council clarifying advice in relation to RBV policies to take account of the impact of Covid-19.

Paragraph 2 of the advice states that “*if an LA has a Risk Based Verification (RBV) policy in operation (as detailed in circular HB [S11/2011](#)), then this should continue during the current crisis and claims should be categorised as usual (for example, high, medium or low risk)*”.

Paragraph 5 of the advice states that “*DWP has suspended the requirement for LAs to undertake an annual review of their RBV policy for 2020-21 and, therefore, LAs should not amend the policy specifically to deal with the current crisis. However, should an LA need to make a change to their 2020-21 RBV policy this must be subjected to the usual controls and approvals as outlined in circular HB S11/2011*”.

It is understood that officers with operational responsibility for devising and administering the policy are of the view that following a review, no changes to the policy are required. Accordingly, there is no legal reason why Members cannot adopt the Recommendations contained in this report.

## **Equality**

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

The proposed decision is to approve Haringey's Risk Based Verification Policy as the means by which the Council will process claims for Housing Benefit and Council Tax Reduction. There have been no changes to the policy following the suspension of the requirement for Local Authorities to undertake an annual review of the RBV policy for 2020-21. The implementation of the policy has not resulted in any negative impacts for residents who share the protected characteristics and no negative effects are anticipated with the continued implementation. This proposal will lead to applicant waiting times either remaining the same or being reduced. The Equalities Impact Assessment that was carried out to assess potential impacts at the time of the last change to the policy can be accessed here:

[https://www.minutes.haringey.gov.uk/documents/s110613/9.2%20DRAFT%20EqlA\\_RBV\\_final.pdf](https://www.minutes.haringey.gov.uk/documents/s110613/9.2%20DRAFT%20EqlA_RBV_final.pdf)

## **9. Use of Appendices**

Appendix A – Department for Work and Pensions bulletin dated 20<sup>th</sup> April 2020 - EXEMPT

## **10. Local Government (Access to Information) Act 1985**

10.1 Appendix A of the report is exempt as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 (Paragraph 3) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).