

**Report for:** Cabinet on 15<sup>th</sup> September 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:** Amelia.Hadjimichael, Head of Benefits  
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**Ward(s) affected:** All

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

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

- 1.1 As part of the Customer First Transformation Programme, the Council introduced a Risk Based Verification (RBV) policy in November 2019 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 a decision from Cabinet is sought on whether or not to adopt.

## **2. Cabinet Member Introduction**

- 2.1 Risk Based Verification supports many of our residents in need, through the efficient and rapid processing of low risk claims and change of circumstances for Housing Benefits and Council Tax Reduction. Since its adoption in November 2019 it has helped us to continually improve our processing of new claims and for change of circumstances, while also reducing error which in the past has been a concern of our Benefits service.
- 2.2 Through the use of this technology we have been able to significantly reduce number of letters that were being sent to our residents for further information. We all know that any letter from a Council can at times cause worry and further unnecessary contact to the Council. Risk Based Verification helps us reduce that need and enhances the experience we provide to our residents.

Our Officers are now able to give greater focus and attention to more complex claims ensuring they are right first time.

### **3. Recommendations**

Cabinet is recommended to:

- 3.1. As set out in the Part B exempt report
- 3.2. As set out in the Part B exempt report

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

- 4.1. To continue to help reduce fraud and error in the processing of Benefit claims.
- 4.2. As set out in the Part B exempt report

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

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

### **6. Background information**

- 6.1. The adoption and review of the RBV policy is a two stage process. The policy was initially presented for examination to the Corporate Committee on 25<sup>th</sup> July 2019, which resolved to recommend adoption by Cabinet as the decision maker. Adoption took place at Cabinet on 8<sup>th</sup> October 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. However, in light of the impact of Covid-19, further clarifying - restricted from publication outside of the Council - 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 Part B exempt report. A copy of the existing RBV policy is at Appendix 2 to the Part B exempt report.

### **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**

- 8.1 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.
- 8.2 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.
- 8.3 To minimise the risk of adverse financial consequences RBV performance is monitored monthly.

### **Head of Audit & Risk Management**

- 8.4 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**

- 8.5 The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and comments in the Part B exempt report.

### **Equality**

- 8.7 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.
- 8.8 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.
- 8.9 This information is contained in the Part B exempt report 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:

**9. Use of Appendices**

**9.1 Appendix A – Department for Work and Pensions bulletin dated 20<sup>th</sup> April 2020** Confidential information as set out Part 4 Access to information rules – Paragraph 10.1 to 10.3.

**9.2 Appendix B Risk based verification Policy** –This is exempt under paragraph 3 - Schedule 12A to the 1972 Act  
Information relating to the financial or business affairs of any particular person (including the authority holding that information).

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

None