NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Risk Based Verification (RBV) Policy.

AGENDA STATUS: **PUBLIC**

Audit Committee Meeting Date:	11TH January 2016
Policy Document:	Yes
Directorate:	Resources
Accountable Cabinet Member:	Cllr Mike Hallam

1. Purpose

1.1 To advise the audit committee of the new approach to verifying claims for Housing Benefit and Council Tax Reduction and to seek approval of the Risk Based Verification (RBV) Policy.

2. Recommendations

2.1   It is recommended that the audit committee be requested to approve the Risk Based Verification Policy (Appendix A).

3. Issues and Choices

3.1 Report Background

3.1.1   Risk Based Verification (RBV) is a method of applying different levels of verification checks to benefit claims according to the predicted risk associated with those claims. The main benefits associated with the RBV approach are twofold:

- In low risk cases we are able to 'fast track' HB/CTR applications which deliver significant customer service improvements and service efficiencies

- In high risk cases we are able to 'more accurately' detect fraud and error at the point of data entry

3.1.2 The DWP have developed and approved a Risk Based Verification policy which sets out the information and evidence required before assessing claims for Housing Benefit and Council Tax Reduction (Appendix B). DWP funding has also made available to local authorities through the Fraud and Error Reduction Incentive Scheme (FERIS), in order to significantly reduce Fraud and Error (F&E) in the HB caseload during 2015/16 and beyond.

3.1.3 In order to implement this approach the council is required to create its own RBV policy.

3.1.4 DWP consider it to be good practice for the RBV policy to be examined by the Local Authority Audit and Risk Committee. The policy must be submitted for Member's approval and sign off, along with a covering report confirming the Section 151 Officer's agreement/recommendation. The information held in the RBV policy should not be made public due to the sensitivity of its contents.

3.1.5 The Risk Based Verification policy defines the risk categories and the checks required for each category. This information is system based so that claims are automatically allocated a risk category prior to payment. Claims are put into 1 of 3 risk categories – Low, Medium or High.

4. Implications (including financial implications)

4.1 Policy

4.1.1 Northampton Borough Council is committed to the prevention, deterrence, detection and investigation of all forms of fraud and corruption. This policy links with Whistleblowing and the Anti-Fraud and Corruption Policy & Strategy.

4.2 Resources and Risk

4.2.1 There are no direct financial implications to adopting this policy. However, the experience of other Local Authorities who have adopted Risk based Verification is that more Fraud and Error has been identified at the Benefits Gateway representing a saving to the public purse. RBV may therefore have a positive impact on the amount of quarterly incentive payments made by the DWP, which are based upon the level of fraud and error recorded.

4.2.2 The adoption of a RBV policy also means being able to focus resources appropriately on those claims that pose the greatest risk of fraud and simplifying the administrative process for those that pose the least risk.

4.3 Legal

4.3.1 DWP HB/CTB circular S11/2011 states that all LAs opting to apply RBV will be required to have in place a RBV Policy detailing the risk profiles, verification standards which will apply and the minimum number of claims to be checked. The relevant extract of the circular is held at appendix B

4.3.2 The councils legal obligation to verify information for Housing Benefit claims is defined in Housing Benefit Regulation 86 which states;

"a person who makes a claim, or a person to whom housing benefit has been awarded, shall furnish such certificates, documents, information and evidence in connection with the claim or award, or any question arising out of the claim or the award, as may reasonably be required by the relevant authority in order to determine that person`s entitlement to, or continuing entitlement to housing benefit"

4.4 Equality and Health

4.4.1 There should not be any equalities and/or Health impacts arising from the RBV policy. However, as this is a new approach to verifying benefit claims, there is no baseline data available for comparative purposes. Monitoring of the risk group profiles will therefore be undertaken to determine whether people with certain protected characteristics are over represented or under-represented in any of the risk groups. Following the accumulation of sufficient data an Equalities Impact Assessment will be undertaken in respect of this policy.

4.5 Consultees (Internal and External)

4.5.1 None

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The RBV policy supports the council's priority of making every £ go further by protecting the public purse and thereby ensuring that public money is used to maximum benefit.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Appendix A – RBV Policy
Appendix B – Extract DWP Circular S11/2011

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