

IMPROVEMENTS IN HOUSING BENEFIT / COUNCIL TAX SUPPORT VERIFICATION PROCESS

Cabinet	15th June 2017
Report Author	Andrew Stevens, Assistant Director, EK Services
Portfolio Holder	Cllr John Townend, Portfolio Holder for Financial Services & Estates
Status	For Decision
Classification:	Unrestricted (Appendix 1 is to be treated as restricted under Paragraph 7 (Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime) of Part 1 of Schedule 12A of the Local Government Act 1972
Key Decision	Yes
Reasons for Key	Significant effect on communities
Previously Considered by	N/A
Ward:	All

Executive Summary:

1. To inform Cabinet of the proposal for EK Services to implement improvements to the verification process for new benefit claims for Housing Benefit and Council Tax Support. This is by way of introducing a "Risk Based Verification" scheme which is an integral part of the new Digital Benefits system and aimed at reducing cost, paperwork and time in the benefits claim process. The new policy is intended to focus on verifying claims for benefit using a "risk based" approach whilst improving the experience for the customers.
2. To obtain the approval of the committee to the Risk Based Verification (RBV) policy by way of their signature on the policy. The council's s151 officer will also approve the policy to meet DWP requirements.

Recommendation(s):

1. Cabinet approve the implementation of a Risk Based Verification policy for new claims to Housing Benefit and Council Tax Support.

CORPORATE IMPLICATIONS

Financial and Value for Money	The cost of the purchase of the system has been approved by EK Services MT and is fully funded by EK Services. The implementation of a Digital Benefits system (including Risk Based Verification) is a key part of the EKS strategy to reduce costs and process which will help EKS meet its challenging budget savings targets.
Legal	The DWP dictate that a RBV policy must be approved by Committee and the Council's s 151 officer and that specific details of the policy itself must be treated as sensitive and restricted from publication. External Audit will expect to see a correctly signed copy of the policy when they undertake the benefits subsidy audit.

Corporate	The risks of introducing such a policy are considered to be very low. Many other councils use RBV and the introduction of a Digital Benefits System is a natural fit to TDC's own digital ambitions.								
Equalities Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td></td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td></td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>The introduction of a RBV policy means that over 50% of benefit customers will not need to supply evidence and information to the current levels. Any additional checks are done by officers behind the scenes. There is no detrimental impact to any customer group of introducing such a scheme. The intention is to make the claim process easier and quicker for people, many of whom need help with their rent urgently to retain the roof over their head. A basic, screening, Customer Impact Assessment has been completed and is included as Appendix 2.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,		Advance equality of opportunity between people who share a protected characteristic and people who do not share it		Foster good relations between people who share a protected characteristic and people who do not share it.	
Please indicate which aim is relevant to the report.									
Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,									
Advance equality of opportunity between people who share a protected characteristic and people who do not share it									
Foster good relations between people who share a protected characteristic and people who do not share it.									

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	✓
Supporting the Workforce	✓
Promoting open communications	

1.0 Introduction and Background

- 1.1 Local authority Benefits Services are responsible for processing new claims and change of circumstances in relation to Housing Benefit (HB) (on behalf of the DWP) and Council Tax Support (CTS).
- 1.2 All HB claims and CTS applications require a level of evidence verification that provides sufficient assurance against the risk of fraud and error. The level of evidence verification applied is not set out in regulations as a mandatory requirement. The only requirement is that sufficient evidence and information is provided by the customer in order for the local authority to correctly determine entitlement to benefit. Taking a risk-based approach to the level of evidence and information required offers the

opportunity for potential efficiency savings and will result in vital support being offered to customers as quickly as possible to avoid arrears and homelessness.

- 1.3 The DWP has, for some time now, processed new claims for benefit using Risk Based Verification software which provides a real time risk assessment on the claim as the claim details are being entered into the processing system.
- 1.4 The software is supplied by the Callcredit group who previously developed it working in partnership with the DWP. It is a tried and tested solution which EKS have already piloted for some time in Dover.
- 1.5 EK Services are introducing a Digital Benefits system in the summer of 2017 which will enable customers to self serve 24/7 from any device and RBV is an integral part of making that system as user friendly as possible. The RBV element of this new integrated system costs in the region of £50k pa for all three councils. It is fully funded by EK Services as part of the overall digital benefits project.
- 1.6 Essentially, RBV helps to secure the benefits system against those who may attempt to defraud it, whilst at the same time making it simpler for the majority of customers. The customer journey is improved through fewer interactions with the council, and the customer should experience an improvement in the speed of service provided.

2.0 Further background information

- 2.1 RBV is a method of applying different levels of evidential checks to benefit claims. The level of checking is dependent on a complex mathematical risk profile given to each customer. The higher the deemed risk, the higher the amount of resources used to establish that the claim is genuine and the circumstances are as stated.
- 2.2 Local authorities are still required to comply with the relevant legislation relating to the production of National Insurance numbers to provide evidence of identity. RBV makes maximum use of intelligence to target more extensive verification activity on those claims shown to be at greater risk of fraud and error.
- 2.3 RBV assigns a risk rating to each claim – the risk rating determines the level of verification required. Simply, claims are categorised as either low (only essential verification checks are made), medium (verification checks as usual), or high risk (enhanced stringency applied to verification).
- 2.4 RBV software is delivered with reports that enable the scheme to be monitored. Blind-sampling is automated within the system to validate the process. Furthermore, benefits Assessment Officers are able to increase the risk category should they have concerns about an individual case. As a safeguard, increasing the risk rating can only be done with the authority of a senior officer, and risk rating can never be downgraded.
- 2.5 RBV allows resources to be targeted at those claims with the highest risk of fraud and error, and helps prevent resources being expended on low risk claims. By doing this, the speed at which new benefit claims are processed can be improved, and the reduced verification levels on low risk claims will generate a reduction in outgoing post and incoming documents.
- 2.6 Essentially, RBV helps to secure the benefits system against those who may attempt to defraud it, whilst at the same time making it simpler for the majority of customers.

The customer journey is improved through fewer interactions with the council, and the customer should experience an improvement in the speed of service provided.

3.0 Options

- 3.1 Option 1 – Do not introduce a Risk Based Verification scheme. This option will result in the current process for administering benefit claims continuing. The impact would be that we could not implement a Digital Benefits system, could not improve the customer experience, reduce paperwork or reduce costs. This option is not recommended.
- 3.2 Option 2 – Introduce a Risk Based Verification scheme. This option will allow us to offer a far more modern and cost effective service to our customers. It will result in us targeting resources at those claims which are more likely to result in fraud and error whilst simplifying and streamlining processes for the majority of our customers. This option is recommended.

Contact Officer:	Andrew Stevens, Assistant Director, EK Services. 07525 668450
Reporting to:	Tim Willis, Director of Corporate Resources and s151 officer

Annex List

Annex 1	RBV policy (RESTRICTED AND NOT FOR PUBLICATION)
Annex 2	Customer Impact Assessment screening form

Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Ramesh Prashar, Head of Financial Services
Legal	Tim Howes, Director of Corporate Governance & Monitoring Officer