

Wirral Council

Housing Benefit and Council Tax Support

DRAFT

Risk Based Verification Policy

1. Introduction

The Verification Framework Policy was initially introduced by the Department of Work and Pensions (DWP) as guidance in line with the Social Security Administration Act 1992 for administering Housing and Council Tax Benefit (now Council Tax Support) claims. The DWP abolished the Verification Framework Policy in 2006 although Wirral Council has continued to apply the identity and document requirements set out in the framework.

In 2012 the DWP introduced Risk Based Verification; a method of applying different levels of checks to benefit claims according to the risk associated with those claims. The DWP allowed Councils to introduce Risk Based Verification on a voluntary basis subject to certain conditions being met.

Wirral Council has now adopted Risk Based Verification for benefit claim verification.

The emphasis of this policy is to operate a strict regime of preventing fraud and error entering the system whilst continuing with targeted claim reviews in high risk cases.

Wirral's Risk Based Verification Policy will take effect from October 2016 subject to software and systems being tested and available.

2. Background

Wirral Council must adhere to Housing Benefit legislation. This legislation is also used as the basis for Council Tax Support. Accordingly this policy will also apply to Council Tax Support.

The regulations within the legislation do not specify what information and evidence is required to support a benefit claim. However, the regulations do require an authority to have information which allows an accurate assessment of a claimant's entitlement, both when a claim is first made and when the claim is reviewed. The relevant legal framework for verification of HB and CTS is provided in **Appendix 1**

Given those requirements are at the core of the process of administering claims these shall be adhered to at all times and will be considered within the quality assurance checks completed on assessed benefit claims.

3. Risk Based Verification

Wirral Council has determined to implement a software solution for Risk Based Verification following a review which highlighted a significantly high proportion of time was spent verifying and requesting documentation.

Risk Based Verification is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. This in effect means being able to target activity toward checking those cases deemed to be at highest risk of involving fraud and/or error. The baseline of fraud in Wirral Council based on benefit data extracts will be determined prior to the implementation of this policy (using the Risk Based Verification Software).

The purpose of Risk Based Verification is to increase the detection of fraud and error whilst reducing requirements for evidence in low risk cases and thus focusing resource appropriately.

Risk Based Verification is applied to the process of assessing Housing Benefit and/or Council Tax Support claims only.

For the purposes of applying verification on a risk basis, each claim is ranked into one of three categories; these categories are Low, Medium and High Risk.

The table at **Appendix 2** shows the evidence requirements dependent on the risk grouping. A national insurance number and identity confirmation must be made in all cases irrelevant of the risk grouping; this is to comply with aforementioned legislation.

➤ Low Risk

The only checks to be made on cases classed as low risk are proof of identity, production of a National Insurance Number and, if they are a student, formal confirmation of student status.

➤ **Medium Risk**

Cases in this category must have the same checks as low risk plus, for every type of income or capital declared, documentary proof will be required. The documentation can be photocopies in this instance.

➤ **High Risk**

All high risk categorised cases must have the same checks as low risk and documentation provided for each declared type of income or capital; however the documents must be original. Furthermore all cases will have a Credit Reference Check (CRA) completed to determine if there are any discrepancies between the information provided by the customer on a claim form and the information available via CRA checks. The CRA checks will be carried out by specially trained officers who are adept at analysing the information from these areas.

4. Recording and Monitoring

In line with Department of Work and Pensions guidance around 55% of cases could be Low Risk, 25% Medium and 20% High.

Wirral Council will also ensure a minimum of 2% 'control' sampling. This means cases from lower categories are upgraded to higher categories to test the software assumptions. Results of this sampling will be fed back into the propensity models supporting the parameters of the Risk Based Verification. Cases cannot be downgraded at any time by an assessment officer. However, they can be increased with approval from a Team Leader. All cases which are upgraded are recorded along with the reasons for this so that this information can be fed through to the parameters if errors are found.

Wirral Council will monitor the risks on a monthly basis by using software tools available. The reports will show the level of risk by percentage and the level of fraud across the authority in comparison to its baseline. Information will be derived from data provided as part of the Single Housing Benefit Extract (SHBE) file to support any statistical analysis. Wirral Council will undertake to review a percentage of cases per year via visits to customer's homes. This will help monitor the effect of fraud and error detection rates compared to the baseline rate. It is expected that the levels of fraud and error will be a small amount in low risk and increased for medium and increased further still in high risk. The Policy will be reviewed annually and a report provided for members.

5. Training

Training will be provided for all officers using Risk Based Verification. Communications will be issued to all internal and external stakeholders including housing association staff, private landlords and the voluntary sector to ensure they are fully aware of the change.

6. Audit Requirements

Both internal and external auditors have been notified that the council is planning to implement RBV within the benefits service. An earlier draft of this policy has been shared with Internal Audit.

The DWP have advised that the auditors will carry out their audit against the terms of the RBV policy. They will not audit or in any way assess the veracity of the policy, that is the job of the local authority itself and in particular the Section 151 officer and the members who sign off the policy. If individual cases have been actioned correctly against the requirements of the policy then the auditors will make no comment. The auditors will be asked to ensure there is a RBV policy in place that satisfies the DWP Circular S11/2012 and that the council is complying with that policy. This means that the high/medium/low risk cases are noted and verified as such.

This policy has been produced in line with the Department of Work and Pensions guidance on the use of Risk based verification in Housing benefit Subsidy circular S11/2011

Appendix 1

Housing Benefit Regulation 86 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 the 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 and shall do so within one month of being required to do so or such longer period as the relevant authority may consider reasonable.”

Furthermore; Section 1 of the Social Security (Administration) Act 1992 dictates a National Insurance number must either be stated or enough information provided to trace or allocate one. This legislation applies to both customers and their partners;

(1A) No person whose entitlement to any benefit depends on his making a claim shall be entitled to the benefit unless subsection (1B) below is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming benefit.

(1B) this subsection is satisfied in relation to a person if–

(a) The claim is accompanied by–

(i) a statement of the person’s national insurance number and information or evidence establishing that that number has been allocated to the person; or

(ii) information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or

(b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated.

APPENDIX 2

Type of Evidence	Sub-category of evidence	Low Risk	Medium Risk	High Risk
Identity and S19	Identity	Originals or Photocopies	Originals or Photocopies	Originals required
	S19 (National Insurance Number)	Originals or Photocopies	Originals or Photocopies	Originals required
Residency/Rent	Private Tenants	Not Required	Originals or Photocopies	Originals required
	Social Landlords	Not Required	Originals or Photocopies	Originals required
	Registered	Not Required	Originals or Photocopies	Originals required
Household Composition	Partner ID/S19/Income/Capital	Originals or Photocopies	Originals or Photocopies	Originals required
	Dependants under 18	Not Required	Originals or Photocopies	Originals required
	Non-dependants - remunerative work	Not Required	Originals or Photocopies	Originals required
	Non-dependants – pass-ported benefit	Not Required	Not Required	Originals required
	Non-dependant - student	Not Required	Originals or Photocopies	Originals required
	Non-dependant - not in remunerative work/other	Not Required	Originals or Photocopies	Originals required
Income	State Benefits	Not Required	Not Required	Originals required
	Earnings/SMP/SSP	Not Required	Originals or Photocopies	Originals required
	Self-employed earnings	Not Required	Originals or Photocopies	Originals required
Child Care Costs		Not Required	Originals or Photocopies	Originals required
Student Status	Income also required	Originals or Photocopies	Originals or Photocopies	Originals required
Capital	Below lower capital limit	Not required	Originals or Photocopies accepted if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts	Originals if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts
	Above lower capital limit	Not required	Originals or Photocopies	Originals required
	Property	Not required	Originals or Photocopies	Originals required