

Appendix 1



Revenues & Benefits Risk Based Verification Policy - New Claims September 2017

Introduction

The aim of this policy is to facilitate a system which will support a tailored regime targeted at preventing fraud and error from entering the benefit system. The target date for implementation is 1st June 2017. The policy is designed to meet the DWP criteria of risk based assessment in respect of new Housing Benefit and Local Council Tax Support claims

Background

Southend on Sea Borough Council must adhere to Housing Benefit and Local Council Tax Support legislation. The regulations within the legislation do not specify what information and evidence they should obtain from a benefit customer, however, they do require an authority to have information which allows an accurate assessment of a claimant's entitlement when a claim is first made.

Housing Benefit Regulation 86 states (LCTS equivalent is 72);

"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.

Given those requirements are at the core of the process of administering claims these shall be adhered to at all times.

The system

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 1 shows the level of verification required for each 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.

Medium Risk - Cases in this category must have the same checks as low risk plus for every type of income or capital declared, documentation proof is required. The documentation can be photocopies or scanned images through email as originals are not required 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 and verified** by trained staff.

Furthermore all cases shown to be high risk may be subject to one of more of the following additional checks;

☐ Home visit to verify residency

☐ Office based interview

☐ 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.

Recording & Monitoring

Southend on Sea Borough Council has a minimum of 4% blind sampling which means cases from lower categories will automatically be chosen to test the software assumptions. This information can be fed back into the propensity models supporting the parameters of the Risk Based Verification Portal. Cases cannot be downgraded at anytime by an assessment officer, but they can be increased with approval from a Senior Officer. All cases which are upgraded are recorded along stating reasons. This information can then be fed through to the parameters if errors are found.

Risk Based Verification uses software which will analyse the details of each new claim in order to place the claim in a risk category. The flexibility of RBV will also allow this council to take into account local issues and build in checks and balances. Different levels of checks to benefit claims will depend on a complex mathematical risk profile given to each customer. 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 purpose of Risk Based Verification is to increase the levels of fraud and error

detected by focusing resource appropriately. The profile for identifying risk at the new claim stage uses a different set of rules to those applied within a claim period.

Southend on Sea Borough Council will monitor the numbers of claims verified as low, medium or high risk on a quarterly basis using IT tools available. This monitoring will ensure that no more than 55% of claims are assessed as low risk, with around 25% as medium risk and 20% high risk. The monitoring reports will show the level of splits by percentage and the level of fraud across the authority in comparison to its baseline of 5%. This detection level will also be split across the areas of Low, Medium and High Risk. Information will be derived from cells 222 and 231 within the SHBE extract file in order to be able to produce statistical data.

Verification for NEW CLAIMS

An analysis of the likely impact RBV will have on new claims has already been completed. We have identified at local level the demographic of our client base more likely to produce a high risk result. The claims falling into this category are predominantly those made by the employed working age. Employed working age claimants represent 35% of all new claimants. Within this group 71% of all claims have produced either a medium or high risk score. As a result of this local intelligence we will continue to apply the top levels of verification (medium or high verification criteria) to the customer potentially posing the higher risks via the new claim appointment. We can then simplify the claim procedure for the section of the customer base that is more likely to fall into the low risk group. The majority of low risk claims are made by customers in receipt of income support, jobseekers allowance, employment support allowance or pension credit. This section of the customer base currently makes up 60% of all new claims. The analysis already completed has confirmed that 65% of claims within this group are low risk and require no verification at all.

This Policy has been produced in line with Department of Work and Pensions guidance on the use of Risk Based Verification circular S11/11, Appendix 2.

Group Manager Benefits

.....

Group Manager Revenues

.....

Group Manager Customer Services

.....

Section 151 Officer

.....

Issue to be verified	Sub-category of evidence	Low Risk	Medium Risk	High Risk
Identity and s19	Identity	Originals or photocopies	Originals or photocopies	Originals required
	S19	Originals or photocopies	Originals or photocopies	Originals required
Residency and/or rent	Private tenants		Originals or photocopies	Originals required Optional visit Optional interview
	Social tenants		Originals or photocopies	Originals required Optional visit Optional interview
	Registered		Originals or photocopies	Originals required Optional visit Optional interview
Household composition	Partner ID/s19/income/capital	Originals or photocopies	Originals or photocopies	Originals required Optional visit Optional interview
	Dependants under 18		Originals or photocopies	Originals required Optional visit Optional interview
	Non-dependants remunerative work		Originals or photocopies	Originals required Optional visit Optional interview
	Non-dependants passported benefit			Optional visit
	Non-dependant student		Original or photocopies	Originals required Optional visit
	Non-dependant not in remunerative work/other		Original or photocopies	Originals required Optional visit
Income	State Benefits			
	Earnings/SMP/SSP		Originals or photocopies	Originals required
	Self Employed earnings		Originals or photocopies	Originals required
Child care costs			Originals or photocopies	Originals required
Student status	Income also required	Originals or photocopies	Originals or photocopies	Originals required
Capital	Below capital limit		Originals or copies if over £5500 for working age or over £9500 for pensioners	Originals required of all capital accounts and investments
	Above lower capital limit		Originals or photocopies	Originals required
	Property		Originals or	Originals required

			photocopies	
--	--	--	-------------	--