

Housing and Local Council Tax Support Verification Policy (Restricted) 2016/17

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1. Introduction

The Verification Framework Policy was initially introduced by the Department of Work and Pensions as guidance in line with the Social Security Administration Act 1992 for administering Housing and Council Tax Benefit claims. Since the abolition of that Policy in 2006 by the Department of Work and Pensions, Colchester Borough Council has prepared the following robust policy for Benefit Claim Verification on application and in claim changes.

The emphasis of this policy is to operate a strict regime of preventing fraud and error entering the system whilst continuing with live caseload intervention.

This policy reflects the cessation of Council Tax Benefit and introduction of Local Council Tax Support.

2. Background

Colchester Borough Council must adhere to Housing and Council Tax benefit legislation. The regulations within the legislation do not specify what information and evidence they should obtain from a benefit customer. However, it does 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.

Housing Benefit Regulation 86 states (CTB 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.

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These requirements are fundamental to the effective process of administering claims and shall be adhered to at all times. The requirements will be a considered process within the Quality Assurance checks completed on benefit claims assessed.

3. Risk Based Verification

Colchester Borough Council implemented an IT solution for Risk Based Verification following a Fundamental Service Review process in order to improve the efficiency in 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 Colchester based on benefit data extracts is 5%. The purpose of Risk Based Verification is to increase the levels of fraud and error detected by focusing resource appropriately.

Risk Based Verification is part of the process for assessing a New Housing and/or Local Council Tax Support Claim only. Any change of circumstances will follow separate standards.

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 requirement to be upheld dependent on the risk grouping. A national Insurance number and identity confirmation must be made in all cases irrelevant of the risk grouping.

For any period of software downtime the minimum risk applied is Medium and will follow the requirements for a Medium risk claim.

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. The documentation can be photocopies in this instance and can be provided electronically.

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 in this instance and can be provided electronically.

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 automated through the RBV software module. The outcome of the CRA check will determine the final risk category of the new claim.

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Where original documents are required but only electronic documents are available to the claimant, these will be accepted to verify the claim. This may include electronic bank statements or payslips.

Recording and Monitoring

In line with Department of Work and Pensions guidance around 65% of cases could be Low Risk, 20% Medium and 15% High.

All risk scores are recorded by the software used to process benefits and they must be recorded on the assessment officers record posted to a customers Idox account. Colchester Borough Council also has a minimum of 2% blind sampling which means cases from lower risk ratings are upgraded to test the software assumptions are accurate. 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, they can however 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.

Colchester Borough Council will monitor the risk rating splits on a monthly basis by using software reporting tools. The 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.

Colchester Borough Council uses Housing Benefit Matching Data provided by the Department of Work and Pensions to conduct reviews. Approximately 1300 reviews per year will be carried out via post and an additional 200 visits to customer's homes. Furthermore, additional in house analysis will be used to focus reviews in key areas of concern on a cyclic basis. 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 small in Low Risk, increased for Medium and increased further still in High Risk. Furthermore Colchester Borough Council also undertakes a minimum of 4% checks across all assessments to make sure guidance is adhered to correctly.

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

4. In claim Change of Circumstances

During the lifetime of a claim various changes in circumstances are declared by customers. In order to make sure the process of declaration is timely and of ease to the customer the following process of declaring changes with accompanying evidence is accepted. Although the authority is mindful of the potential Documentary Fraud issues, the same ethos of risk is applied to the process of declaring a change of circumstances.

Regulation 88 (1) states;

Subject to paragraphs (3) and (6), if at any time between the making of a claim and a decision being made on it, or during the award of housing benefit, there is a change of circumstances which the claimant, or any person by whom or on whose behalf sums payable by

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way of housing benefit are receivable, might reasonably be expected to know might affect the claimant's right to, the amount of or the receipt of housing benefit, that person shall be under a duty to notify that change of circumstances by giving notice to the designated office

(a) in writing; or

(b) by telephone—

(i) where the relevant authority has published a telephone number for that purpose or for the purposes of regulation 83 (time and manner in which claims are to be made) unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the relevant authority determines that notice may be given by telephone; or

(c) by any other means which the relevant authority agrees to accept in any particular case.

Colchester Borough council will accept the declaration of a Change or Circumstances and the evidence provided by way of paper or electronic form. There is no necessity to see the original documentation unless it is believed the documentation has been falsified in some way; therefore there is an element of discretion still for staff. Colchester Borough Council wants to promote declarations of changes in circumstances and therefore being able to do this in varying forms without delaying the process to see original documents assists this fundamental context.

Further ability to upload documents is available and will be promoted to customers for use. Documents can be uploaded via the website by the customer or a representative at www.colchester.gov.uk/uploadevidence . This further supports the close working with Housing Associations and Partners that Colchester Borough Council undertakes.

Investigations Manager

Revenue and Benefits Manager

Audit Manager

Section 151 Officer

Date

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Appendix 1 (New Claims Only)

| 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 | Originals or Photocopies accepted | Originals or Photocopies accepted | Originals required |
| Residency/Rent | Private Tenants | | Originals or Photocopies accepted | Originals required |
| | Social Landlords | | Originals or Photocopies accepted | Originals required |
| | Public Sector | | | |
| | Registered | | Originals or Photocopies accepted | Originals required |
| Supported Exempt Accommodation | Level of support provided, SEA questionnaire | | Originals or Photocopies accepted | Original required |
| Household Composition | Partner ID/S19/Income/Capital | Originals or Photocopies accepted | Originals or Photocopies accepted | Originals required |
| | Dependants under 18 | | Originals or Photocopies accepted | Originals required |
| | Non-dependants – remunerative work | | Originals or Photocopies accepted | Originals required |
| | Non-dependants – passported benefit | | | |
| | Non-dependant - student | | Originals or Photocopies accepted | Originals required |
| | Non-dependant - not in remunerative work/other | | Originals or Photocopies accepted | Originals required |
| Income | State Benefits | | | |
| | Earnings/SMP/SSP | | Originals or Photocopies accepted | Originals required |
| | Self employed earnings | | Originals or Photocopies accepted | Originals required |
| Child Care Costs | | | Originals or Photocopies accepted | Originals required |
| Student Status | Income also required | Originals or Photocopies accepted | Originals or Photocopies | Originals required |
| Capital | Below lower capital limit | | Originals or Photocopies accepted if over £5500 for Working Age or over £9500 for Elderly - not required if under these amounts | Originals required |
| | Above lower capital limit | | Originals or Photocopies | Originals required |
| | Property | | Originals or Photocopies accepted | Originals required |

* Please note that where original documents are required, electronic documents will be accepted where the claimant's original document is only provided electronically to them.