

TEIGNBRIDGE DISTRICT COUNCIL

AUDIT SCRUTINY

25 MARCH 2020

INFORMATION SHEET NUMBER	03.03.2020
TITLE	<i>Housing Verification Report</i>
DATE	25 March 2020
PART I OR II	<i>Part I</i>
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1. DETAIL

- 1.1 Due to the high cost and administrative burden of verifying every claim for housing benefit and council tax benefit the Department for Works & Pensions (DWP) brought in a policy in 2011 based on the principles of risk based verification (RBV) concentrating on the risk profile of each claimant. This allowed our resources to be targeted at the higher risk groups where most of the fraud & error is historically found.
- 1.2 We have successfully operated the RBV Policy for the last 6 years, but new claims for Housing Benefit have reduced dramatically as Universal Credit has replaced Housing Benefit for 'most' new working age cases. We now receive approximately 32 new claims per month compared to an average of around 150 per month before the inception of Live Service Universal Credit in September 2018 (based on Housing Benefit claims received from April to September 2018).
- 1.3 Housing Benefit is now only available to customers of State Pension Credit Age, Customers who are in Temporary or Supported Accommodation & those who have a Severe Disability Premium (SDP) within their DWP Benefit.
- 1.4 Incomes for Pension Credit cases are automatically advised to us & we know that DWP have already validated these figures. SDP cases are the same. The Temporary & Supported accommodation cases will be automatically subjected

to increased scrutiny because of their support needs & the nature of our enquiries to obtain the necessary proofs.

- 1.5 In view of the low level of new claims there is no benefit in continuing with the risk based approach and instead we will ask for and verify evidence for each new claim received.

2. IMPLICATIONS

- 2.1 **Financial:** The current cost of running the RBV Policy year on year is £11,700.00. With the move to Universal Credit reducing the number of housing benefit claims we administer and the corresponding reduction in the number of claims that require evidence verification the benefits of risk based verification have diminished to the point it is no longer financially viable to pay for this software. The savings arising from the termination of this contract may be used towards future year's increased expenditure on operating systems.
- 2.2 **Legal:** The Housing Benefit General Regulations 2006 require Teignbridge to obtain sufficient information & evidence to allow an accurate assessment of a claimant's entitlement both at the outset of the claim & at periodic reviews thereafter. However with the exception of a valid National Insurance Number & proof of identity, the evidence requirements are not specified. This is covered in regulation 86(1)
- 2.2 **Risks:** The potential for fraud & error should remain unchanged as a result of removing RBV- as this was the premise of RBV. It effectively identified cases where there was a higher risk for potential fraud, which should identify the same results as checking all cases. As previously stated significant claims of low risk were input based on claim form information & customer Identity only. For Pension Age customers requiring Housing Benefit & or Council Tax Support, or Working Age Housing Benefit cases, We will now revert to previous standards requiring customers to supply Identity & National Insurance No. proof but also income, capital & rent proof, which we will assess based on that evidence. With RBV, in low risk cases ID & NINO proof was sufficient to award Benefit/Support based on the application form details.
- 2.3 It is possible that processing times might increase slightly as we will have to request this evidence, but our claim form advises customers of the evidence requirements & offers them the chance to upload proofs or photograph & e-mail it in & we have been very proactive in contacting our customers immediately a claim is received to remind them. This will not change as we are currently in the top quartile of Local Authority processing times on new claims & we are particularly driven to ensure that this does not slip.
- 2.4 The statutory evidence requirements that apply to Housing Benefit do not apply to Council Tax Reduction. From 01 April 2020 we will be implementing our new 'income banded' Council Tax Reduction Scheme for all working age customers. Customers are required to supply a National Insurance Number as identity to make their claim but we will be undertaking regular reviews of these cases to ensure accuracy of their claim information.

2.5 **Environmental/Climate Change Impact:** There should be little or no change to what is already an electronic data exchange, footfall should not increase either as we have been very proactive in guiding people to on-line reporting. There should not be any increase in letters or paper either.