

5 Risk-based verification

5.1 Introduction and summary

Risk Based Verification (RBV) assigns a risk rating to each Housing Benefit (HB)/Council Tax Benefit (CTB) claim which determines the level of verification required. It allows more intense verification activity to be targeted at those claims which are deemed to be at highest risk of involving fraud and/or error.

It is practiced on aspects of claims in Jobcentre Plus and The Pension, Disability and Carers Service (PDCS). In April 2012 DWP extended RBV on a voluntary basis to all local authorities (LAs). The following section describes LAs' experiences about the take-up of the scheme and their views on its effectiveness and efficiency. This section reports on LAs use of RBV, satisfaction with RBV among those LAs applying it, and tools used to apply it.

The key findings based on all LAs answering are summarised in this section. These are followed by the main findings, which include charts plus commentary highlighting the key statistically significant sub-group differences. We have not commented on differences that are not significant. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' or 'other' categories, or multiple answers.

Four in five (81 per cent) of LAs were not currently¹⁶ applying RBV at the time of the survey. Of the group of 30 LAs that were applying RBV, slightly higher than four in five (83 per cent) said that they were using IT tools to risk profile their HB/CTB claimants and 80 per cent were using tools supplied by external suppliers; the remaining three per cent (one LA) reported using IT tools they had set up internally.

LAs' satisfaction with their current approach to applying RBV among the LAs that were applying it was high with 83 per cent of this group recorded as stating they were satisfied on this measure. Slightly greater than half (53 per cent) said that they thought RBV had been effective in reducing fraud and error and the same proportion (53 per cent) said RBV had been effective in improving processing times.

According to the group of 30 LAs that were applying RBV on HB/CTB claims, the kinds of checks that appear to be more likely to happen once an LA had identified a high risk claim were visits to the claimants home and increased documents checks (both mentioned by 70 per cent).

¹⁶ 'Currently' used in the question wording refers to the interviewing period of 22 October – 14 December 2012.

5.2 Main findings

This section details the main findings and includes charts for all questions plus commentary highlighting the key sub-group differences.

Figure 5.1 Is your LA currently applying RBV on HB/CTB claims?

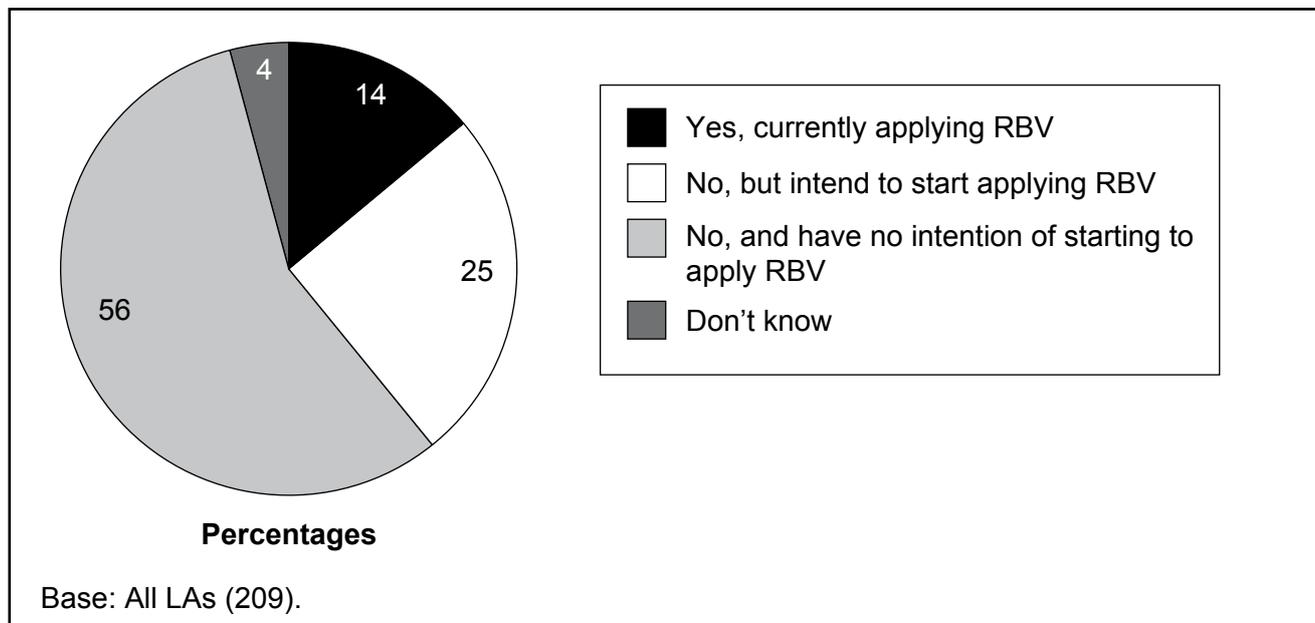


Figure 5.1 shows that at the time of the 2012 survey, four in five (81 per cent) of LAs were not currently¹⁷ applying RBV; more than half (56 per cent) indicated that they had no intention of starting to apply RBV. English Metropolitan Districts were significantly more likely to have said that they had no intention of starting to apply RBV (81 per cent said this compared to 56 per cent of Unitary authorities, 54 per cent of English Districts, 43 per cent of London Boroughs and 33 per cent of Welsh LAs).

LAs that said they were currently applying RBV were in significantly greater concentrations within the following regions: East of England (33 per cent); Wales (33 per cent); West Midlands (22 per cent) and London (19 per cent) compared to Scotland and the South West where none of the LAs said they were applying RBV at the time of interview for this survey.

¹⁷ 'Currently' used in the question wording refers to the interviewing period of 22 October – 14 December 2012.

Figure 5.2 Which of the following approaches has your LA adopted to risk profile your HB/CTB claimants?

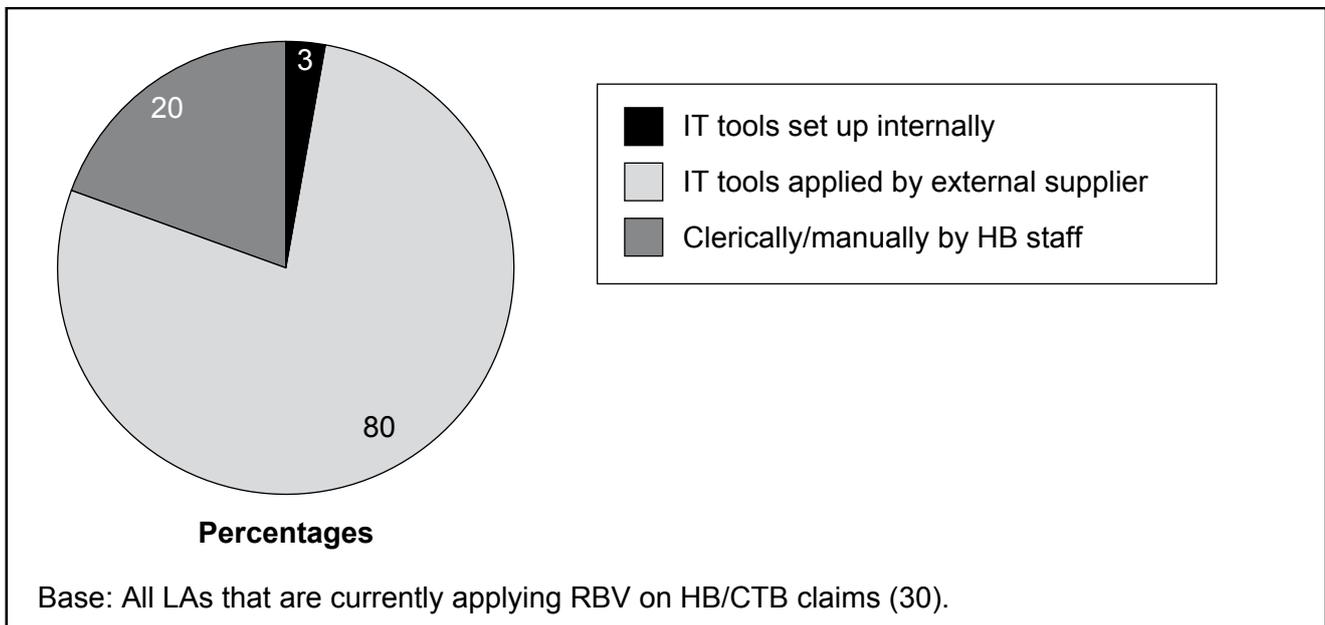


Figure 5.2 is based on thirty LAs that said they were currently¹⁸ applying RBV on HB/CTB claims. Of this group, slightly higher than four in five (25 LAs) said that they were using IT tools to risk profile their HB/CTB claimants; 24 LAs were using tools supplied by external suppliers, the remaining one LA reported using IT tools they had set up internally. One in five (six LAs) said their approach was to risk profile claimants clerically or manually.

¹⁸ 'Currently' used in the question wording refers to the interviewing period of 22 October – 14 December 2012.

Figure 5.3 How satisfied are you with the approach you are currently using to risk profile HB/CTB claimants?

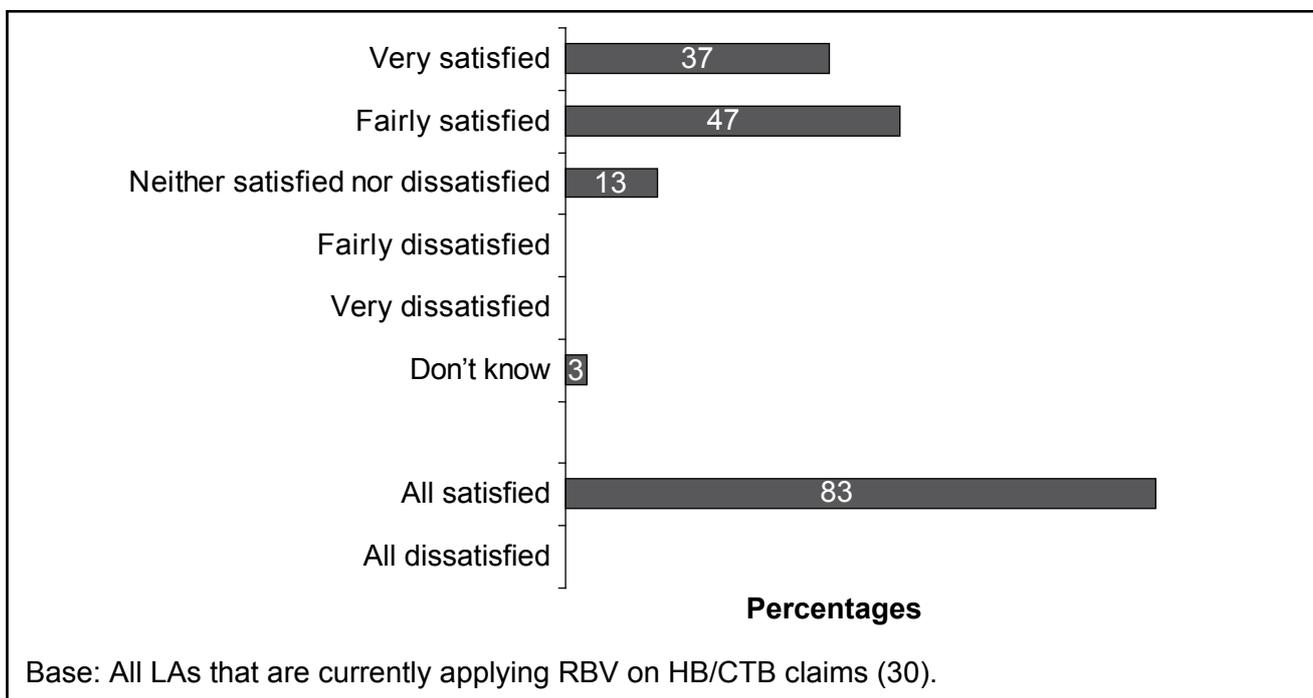


Figure 5.3 shows that among LAs that were applying RBV on HB/CTB claims, satisfaction with their current approach to doing so was high with 25 LAs of this group recorded as stating they were satisfied on this measure (11 LAs very satisfied and 14 LAs fairly satisfied).

The four LAs that said they were not satisfied with their current approach were asked to detail their reasons for dissatisfaction. Two LAs said that it was too early to say and the two remaining answered that their reasons were 'consistency of decisions' and 'unaware of the profile used by company to locate risk'.

Figure 5.4 Overall, how effective would you say that RBV has been in terms of each of the following: Reducing fraud and error?

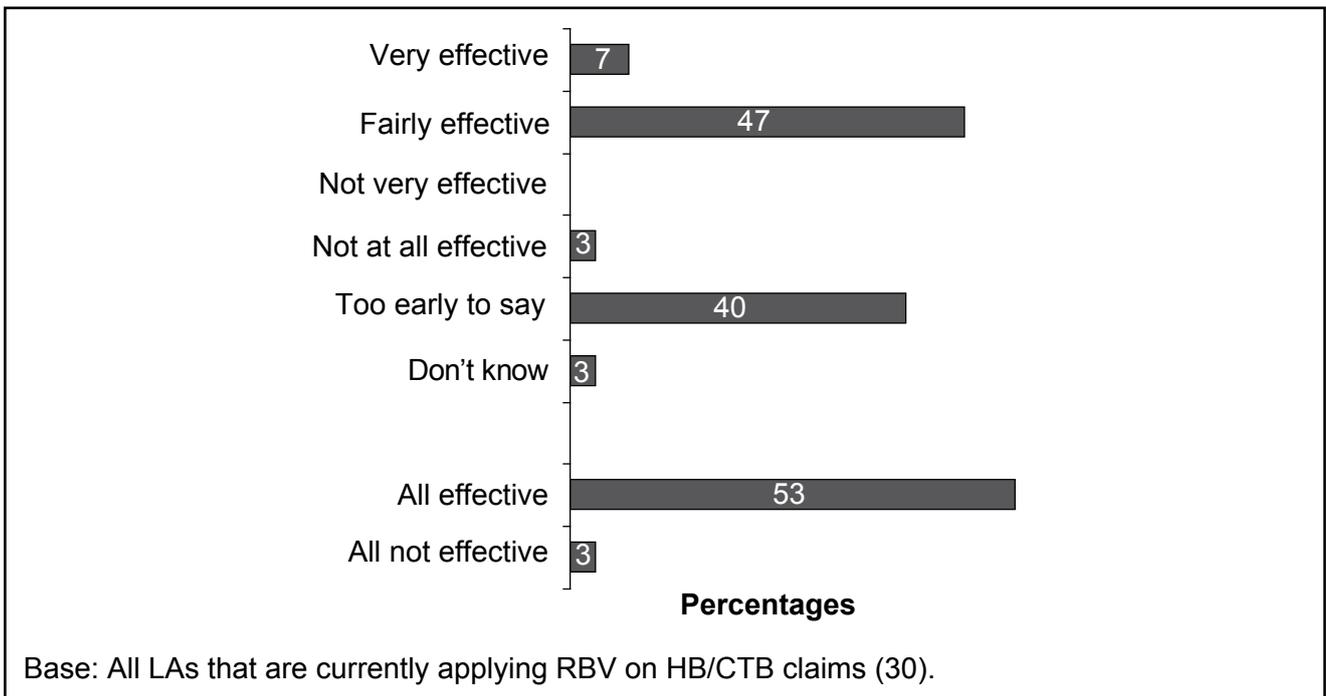


Figure 5.4 shows that among those LAs that were applying RBV on HB/CTB claims at the time of the survey, more than half (16 LAs) said that they thought RBV had been effective in reducing fraud and error. Two in five (12 LAs) of this group said that it was too early to say whether RBV was effective in this way.

Figure 5.5 Overall, how effective would you say that RBV has been in terms of each of the following: Improving processing times?

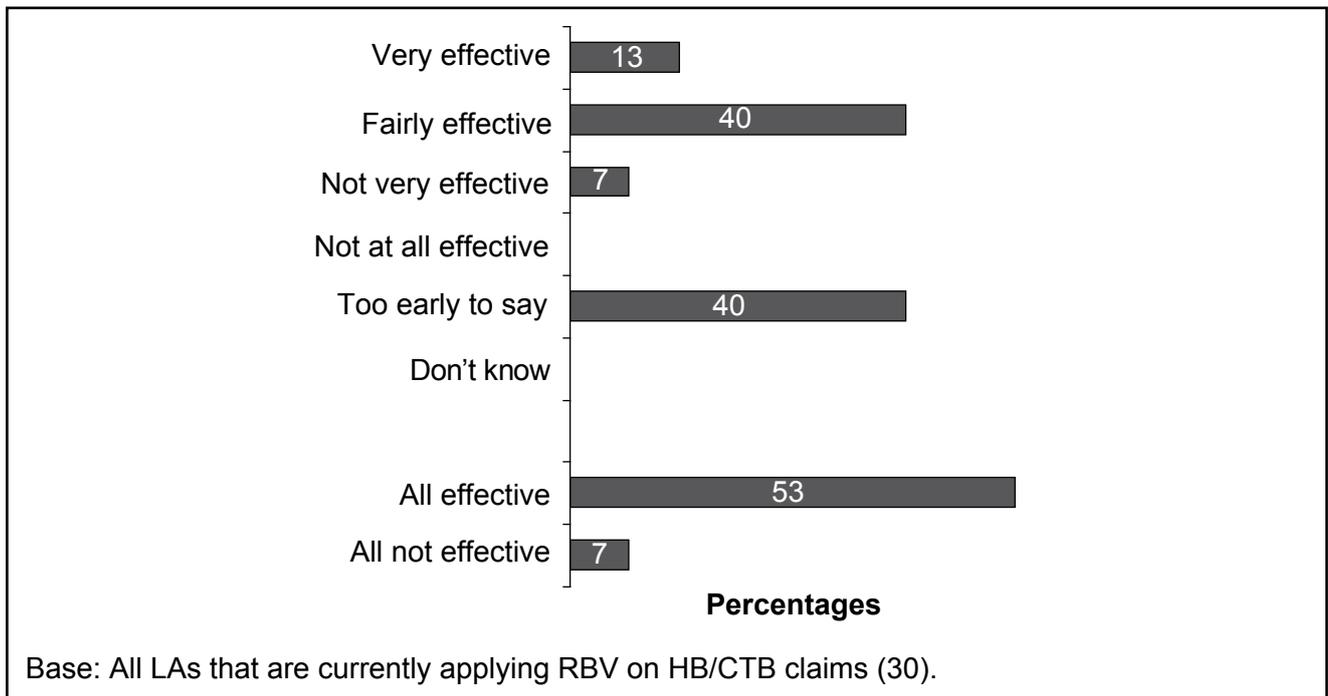
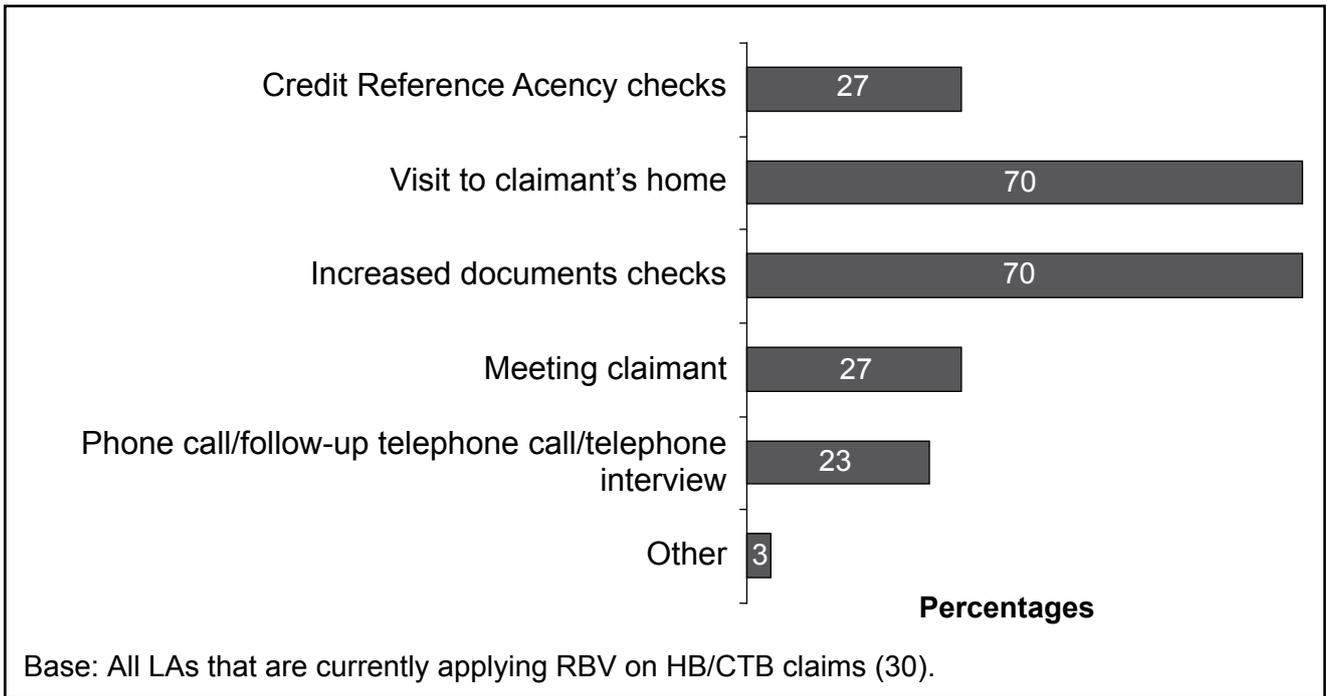


Figure 5.5 shows that among those LAs that said they were applying RBV on HB/CTB claims, more than half (16 LAs) said that they thought RBV had been effective in improving processing times. Two in five (12 LAs) of this group said that it was too early to say whether RBV was effective in this way.

Figure 5.6 When your LA identifies high risk claims, what increased verification is carried out?



According to the group of 30 LAs that were applying RBV on HB/CTB claims, the kinds of checks (LAs could use more than one type of check and were asked for details of all that applied) that appear to be more likely to happen once an LA had identified a high risk claim were visits to the claimant's home and increased documents checks (both mentioned by 21 LAs).