



# Leicestershire Partnership Revenues & Benefits

RISK BASED VERIFICATION SOFTWARE  
UPDATE

## 1. PURPOSE OF THE REPORT

- 1.1 To provide an update to the Committee on the use of the RBV software.

## 2 RECOMMENDATION

- 2.1 That the content of the report be noted.

## 3. BACKGROUND

The Partnership is responsible for the calculation and award of Housing Benefit and Local Council Tax Support, subject to receipt of an application form and verification of that application. Risk Based Verification (RBV) is a method of applying different levels of checks to benefit claims according to the risk associated with those claims. The approach allows for a more intense verification activity to be focused on claims more prone to fraud and error.

### 3.1 Benefit processing days saved for low risk claims

One of the advantages of RBV is that the assessor is able to process low risk claims much quicker than medium/high risk because the evidence requirements are much lower. As a consequence the partnership is able to use the days saved to focus the assessment time on medium and high risk cases.

#### HDC

Month	Average Medium Risk	Average Low Risk	Saved Days
October	18	10	8
November	17	8	9
December	25	15	10
January	22	12	10
February	23	17	6
March	25	14	11
Grand Total	130	76	54

#### HBBC

Month	Average Medium Risk	Average Low Risk	Saved Days
October	15	14	1
November	15	9	6
December	19	11	8
January	15	8	7
February	20	8	12
March	20	13	7
Grand Total	104	63	41

#### NWLDC

Month	Average Medium Risk	Average Low Risk	Saved Days
October	12	8	4
November	15	10	5
December	17	11	6
January	18	12	6
February	14	8	6
March	23	14	9
Grand Total	99	63	36

### 3.2 Risk Distribution (October to March inclusive)

Authority	High Risk Claims %	Medium Risk Claims %	Low Risk Claims %
HDC	27.4	39.3	37.3
HBBC	23.3	34.2	42.5
NWLDC	25.7	32.4	41.9

It should be remembered that the risk distribution is looking at the likelihood of fraud and error within a claim type and not necessarily the % of fraud or error discovered. The whole point of the RBV software is to reduce the incidence of fraud and error at the point the claim is assessed.

When the statistics are generated for a full year we would expect the data to be closer to the national trends which are: Low risk 52%; Medium risk 27% and High risk 21%.

There are significant implications for the authorities/claimants if we do not allocate resources to focus on high risk claims::

- The consequences for the claimant which can include a criminal record and imprisonment
- The ability of the authority to recover the overpayment if undiscovered for some years.
- Subsidy implications if thresholds are exceeded by LA error.
- Reputation-a qualification of the subsidy claim is something we would wish to avoid wherever possible.

### 3.3 The requirement to review

In addition to providing a risk level (low, medium or high) each claim will also be given a specific score. As you will see from the table below a high risk score is broken down into 3 sub-categories 1 being the highest level of risk and 3 the lowest within that risk category

Risk band #	Risk level
1	HIGH
2	
3	
4	MEDIUM
5	
6	
7	LOW
8	
9	
10	
11	
12	
13	
14	
15	

Therefore it is important that we review all high risk claims within a reasonable time frame according to the risk score.

- Risk score 1 will be diary dated and reviewed within 3 months
- Risk score 2 will be diary dated and reviewed within 6 months
- Risk score 3 will be diary dated and reviewed within 9 months

### 3.4 Intervention

It is the responsibility of the interventions team to review any high risk claims within the timescales described above and an analysis of the high risk claims looked at confirmed that a review was required in a quarter of cases.

Cases sampled	Number adjusted	Weekly HB reduction	% Identified
40	10	£300.00	25%

Although the claimant may have advised us in their own time of the change in their circumstances the software allows us to be pro-active thereby reducing any potential benefit overpayments.