



<b>Title</b>	Benefit Fraud Investigation - Performance
<b>For further information about this report please contact</b>	Andrea Wyatt Tel: 01926 456831
<b>Wards of the District directly affected</b>	Not applicable
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance and Audit Scrutiny 11 September 2012
<b>Background Papers</b>	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No
Not required – information report only	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
<b>Consultation &amp; Community Engagement</b>		
Not applicable		
<b>Final Decision?</b>	Yes/No	
<b>Suggested next steps (if not final decision please set out below)</b>		

1. **SUMMARY**

1.1 The purpose of this report is to provide information regarding the performance of the Benefit Fraud Service for the financial year 2012/13.

2. **RECOMMENDATION**

2.1 That the contents of the report are accepted.

3. **REASONS FOR THE RECOMMENDATION**

3.1 There are no decisions to be made as a result of this report.

4. **POLICY FRAMEWORK**

4.1 **Policy Framework** – The Council is required to maintain an active Benefits Fraud team as part of administering housing benefits, council tax benefits, and from 1<sup>st</sup> April 2013, council tax reduction. Investigating fraud is a requirement of the Council’s Anti-Fraud and Corruption Strategy.

4.2 **Fit for the Future** –

5. **BUDGETARY FRAMEWORK**

5.1 It is likely that the work of the Benefit Fraud Service will change in the future as a result of the Government’s Welfare Reform Agenda and this will affect the administrative grant received. However there are no details available to Local Authorities at the present time.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

6.1 There are no alternative options.

7. **BACKGROUND**

7.1 The Council have a duty to protect public funds and this involves ensuring that the correct sanction is applied where a benefit claimant is deemed to have committed a fraudulent act in relation to their claim for either housing benefit or council tax benefit and from the 1<sup>st</sup> April 2013, council tax reduction.

7.2 **Performance**

7.3 Investigations where fraud is proven result in either an administration penalty, a formal caution or in more severe cases prosecution in accordance with the sanctions policy. During 2012/13, 145 cases resulted in a sanction and of these there were 67 administrative penalties issued, 51 cautions and 27 prosecutions. All prosecutions submitted to the court resulted in a successful outcome.

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Administrative Penalties</b>	61	34	16	67
<b>Official Cautions</b>	49	36	19	51
<b>Prosecutions</b>	13	14	27	27

- 7.4 The table below details the total benefit found to have been fraudulently paid for each of the financial years. The authority receives subsidy of 40% on any overpayment which has occurred as a result of fraudulently claimed housing benefit. Subsidy is no longer received in respect of overpaid Council Tax Benefit.

	<b>2009/10</b> <b>£</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
<b>Housing Benefit</b>	167,513	215,454	202,791	378,909
<b>Council Tax Benefit</b>	57,431	58,160	57,556	93,527
<b>Administrative Penalties</b>	30,120	26,211	25,317	36,624

7.5 **Update on the Single Fraud Investigation Service.**

- 7.6 The Single Fraud Investigation Service (SFIS) is intended to join together the fraud investigation work of the DWP, HMRC and local authorities (LAs) to provide a service that will see a single investigation service covering all welfare benefit fraud and making more efficient use of resources. SFIS pilots are running in five areas of the country and are beginning to prosecute benefit cheats. No further information has been released in respect of the Governments plans to create a single fraud investigation service despite the original intention for SIFIS to be in place from 1 April 2013. DWP have advised that decisions about the long term operational model, cannot be made until more information is known about the operating arrangements of Universal Credit.

7.7 **Council Tax Fraud Penalties.**

- 7.8 The report to April 2013 Executive explained how the recovery of council tax reduction (replacing council tax benefits from 1 April 2013) would no longer be legislated for under the Social Security Administration Act. Consequently the Council's fraud sanctions policy was updated.
- 7.9 In the past housing benefit fraud and council tax benefit fraud cases could be prosecuted together, often with other DWP benefits (eg Job Seekers Allowance). In future, any recovery of council tax reduction will need to be pursued separately under different legislation. The updated sanctions policy reflected this change, and introduced fixed penalties where claimants fail to notify the Council of changes in their circumstances which will affect their council tax liability.
- 7.10 Introducing these penalties is a major project that is currently underway, with publicity planned for the Autumn.