

 Finance & Audit Scrutiny Committee - 11 October 2011		Agenda Item No. <div style="text-align: right; font-size: 2em;">6</div>
Title	Benefit Fraud Investigation - Performance	
For further information about this report please contact	Andrea Wyatt Tel: 01926 456831	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny 14 th July 2009	
Background Papers	Tackling fraud and error in the benefit and tax credits systems.	

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

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

1. **SUMMARY**

1.1 The purpose of this report is:

To provide information regarding the performance of the Benefit Fraud Service for the financial years 2009/10 and 2010/11.

To advise of the Government's intention to create a single Fraud Service starting from 2013.

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. The decision to create a single fraud service is that of the Government.

4. **POLICY FRAMEWORK**

4.1 Under the Council's code of Financial Practice, effective procedures should be in place to investigate promptly any fraud or irregularity.

5. **BUDGETARY FRAMEWORK**

5.1 The removal of the fraud service to DWP will impact on the amount of Benefits Administration Grant received from the Government. This could be disproportionate to the actual costs of the Fraud Section, which may present a further additional financial burden on the Council.

5.2 With the Fraud Section expected to transfer to DWP sometime in 2013, there is uncertainty over what resources the Council will have to deal with any fraud from the Benefits cases it will still be expected to manage until these eventually transfer to DWP (currently scheduled 2017).

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

6.1 There are no alternative options.

7. **BACKGROUND**

7.1 In April 2010, management of the Fraud function became the responsibility of the Benefits Manager following a lengthy absence and subsequent departure of the previous Fraud Manager from the authority following a staff restructure. The team comprised of one FTE investigator, 1 temporary investigator, 1 part time investigator and an administrative assistant.

7.2 There have been some changes to the team during the last 18 months, both the temporary investigator and part time investigator have left and the team now comprises 1 full time investigator /acting team leader, 2 part time investigators and 1 administrative assistant. The two part time staff both have knowledge of fraud but do not have investigations experience, however they are currently working towards their qualifications and have made a valuable

contribution to the team. Whilst these changes have been taking place, there have been periods when there has been just 1 fraud investigator.

8 Performance

- 8.1 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, although this is currently being revised.

	2009/10	2010/11	2011/12 to date
Administrative Penalties	61	34	8
Official Cautions	49	36	12
Prosecutions	13	14	13

All of the prosecutions above were successful. There have been no cases of unsuccessful prosecutions. Following on from the Audit Commission Benefits Service Inspection last year, more prosecutions are being taken as there was stated to be over reliance on administrative penalties.

- 8.2 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 fraud, in addition to seeking to recover the overpayment from the individual.

	2009/10 £	2010/11 £	2011/12 to date £
Housing Benefit	167,513	215,454	61,060
Council Tax Benefit	57,431	58,160	18,797
Administrative Penalties	30,120	26,211	6,311

9 Single Fraud Investigation Service

- 9.1 Last year the Government announced their proposals to combine the work of DWP, HMRC and Local Authority Fraud departments to make one single fraud investigation service which will see our current fraud staff transferred to the new service, we are currently waiting for further information to be released later this year. More information can be found at <http://www.dwp.gov.uk/docs/tackling-fraud-and-error.pdf>