

 <b>Finance and Audit Scrutiny Committee 11 September 2012</b>		<b>Agenda Item No. 5</b>
<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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 <sup>th</sup> October 2011	
<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 2011/12.
- To consider the Council's Anti Fraud Policy, Anti Fraud Strategy and Sanctions Policy.
- To provide an update on the Single Fraud Investigation Service.

## 2. **RECOMMENDATION**

2.1 That the contents of the report are accepted.

## 3. **REASONS FOR THE RECOMMENDATION**

3.1 The Council's policies in respect of Fraud have been updated.

## 4. **POLICY FRAMEWORK**

4.1 **Policy Framework** –

4.2 **Fit for the Future** –

## 5. **BUDGETARY FRAMEWORK**

5.1 There are no budgetary implications.

## 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.

## 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. During 2011/12 75 cases resulted in a sanction and of these there were 18 administrative penalties issued, 31 cautions and 26 prosecutions.

8.2 The table below details the total benefit found to have been fraudulently paid for each of the financial years. Action is taken to recover these sums from the claimants. In addition, the authority receives subsidy of 40% on any overpayment which has occurred as a result of fraud.

	<b>2010/11</b>	<b>2011/12</b>
<b>Housing Benefit</b>	£215,454	£202,791
<b>Council Tax Benefit</b>	£58,160	£53,353
<b>Administrative Penalties</b>	£26,211	£11,380

8.3 The fraud service were criticised following the Audit Commission inspection in 2010 for being too lenient in deciding cases for prosecution as it is felt that this sends out a clear message to deter fraudsters. So whilst the total number of sanctions have reduced from 84 in 2010/11 to 75 in 2011/12, the number of prosecutions has increased from 14 in 2010/11 to 26 in 2011/12, preparing a case for prosecution is extremely time consuming and would account for the overall reduction in sanctions.

9. **Anti-Fraud Policy, Anti Fraud Strategy and Sanctions and Prosecutions Policy.**

9.1 The Council's policies in respect of Fraud have been update to ensure that they reflect the current arrangements and these are attached.

10. **Update on SFIS**

10.1 From April 2013, we have been advised that the fraud investigation staff will become part of the Single Fraud Investigation Service (SFIS). This service will combine the work of DWP, HMRC and Local Authority Fraud departments. The fraud investigation staff will continue to be employed by WDC but will operate under SFIS powers, policies and priorities. This will be an interim solution, however the DWP have advised that decisions about the long term organisational model for SFIS cannot be made until more information about the operating arrangements of universal credit is known.