

 Finance & Audit Scrutiny Committee - 2 September 2014		Agenda Item No. 5
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 10 September 2013	
Background Papers		

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	18/08/2014	Andrew Jones
Head of Service	18/08/2014	Mike Snow
CMT		
Section 151 Officer	18/08/2014	Mike Snow
Monitoring Officer	18/08/2014	Andrew Jones
Finance	18/08/2014	Mike Snow
Portfolio Holder(s)	18/08/2014	Stephen Cross
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 year 2013/14.

2. **It is RECOMMENDED that:**

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 The Council is required to maintain an active Benefits Fraud team as part of administering housing benefits, council tax benefits, and from 1st 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 The current budget for the fraud team is currently provided for by the administration grant received from central Government. This will reduce from April 2015 as fraud investigations work in respect of housing benefits will no longer be the responsibility of the authority.

6. **RISKS**

6.1 If performance is not scrutinised, we cannot provide assurances to the public that we are protecting the public purse and taking the necessary action when advantages are claimed to which there is no entitlement.

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

7.1 There are no alternative options

8. **BACKGROUND**

8.1 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 1st April 2013, council tax reduction.

8.2 **Performance**

8.3 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 2013/14, 133 cases resulted in a sanction and of these there were 50 administrative penalties issued, 40 cautions and 43 prosecutions.

	2009/10	2010/11	2011/12	2012/13	2013/14
Administrative Penalties	61	34	16	67	50
Official Cautions	49	36	19	51	40
Prosecutions	13	14	27	27	43

- 8.4 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.

	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £
Housing Benefit	167,513	215,454	202,791	378,909	376,072
Council Tax Benefit	57,431	58,160	57,556	93,527	89,240
Council Tax Reduction	N/A	N/A	N/A	N/A	2,572
Administrative Penalties	30,120	26,211	25,317	36,624	28,353

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

- 8.6 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. DWP have now announced the roll out programme for the transfer of local authority housing benefit fraud work to SFIS and for Warwick District this will be February 2015. Current staff working within the fraud team will be transferred to the DWP under "TUPE" like arrangements.
- 8.7 There is a concern that the authority will no longer have trained fraud investigators if all staff were to transfer to DWP and therefore cases of council tax reduction fraud could go undetected and unpunished. A report is proposed for consideration by Employment Committee to create a new fraud investigator post to ensure that we can provide re-assurances to the public of our commitment to protecting public funds.