

Item 8

AUDIT COMMITTEE

30 OCTOBER 2006

REPORT OF THE HEAD OF FINANCIAL SERVICES

PORTFOLIO: COMMUNITY HEALTH

HOUSING BENEFIT FRAUD REPORT-April to September 2006

1. SUMMARY

The purpose of the Report is to review the results of investigating allegations of Housing and Council Tax benefit fraud during the period April to September 2006.

2. RECOMMENDATIONS

- To note the progress in investigating alleged benefit fraud during the first half of the current financial year.
- That a further report be presented to the Audit Committee in April 2007

3. BACKGROUND

Sedgefield Borough Council is committed to preventing and detecting fraud. The Council recognises that benefit fraud in particular is difficult to prevent and subsequently detect, without the assistance of the public and data matching with other agencies.

A reduction in the level of fraud remains one of the Benefits Section key priorities.

A dedicated Housing Benefit Fraud Team form an important part of the Council's Benefit Services consisting of the following Officers

Senior Benefits Officer (Fraud and Investigations)
Investigations Officers (2)
Intervention Officers (2)
Clerical Assistant

A Housing Benefit Anti-Fraud Policy has been introduced to ensure a consistent and rigorous approach is followed to prevent and detect fraud.

As well as ensuring that arrangements are made to ensure that the overpayments will be recovered, the Policy states that specific outcomes, known as sanctions, can be imposed on claimants who have submitted fraudulent benefit claims.

There are a number of different sanctions available to the Council following a successful investigation namely :-

- Prosecution
- Issue of a formal caution
- Issue of an administration penalty (fine)

4. OUTCOME OF INVESTIGATIONS

During the first six months of the current financial year, the investigations team has investigated 296 cases of potential fraud following the receipt of data matching information from other agencies and tip offs/allegations from the public, mainly using the Benefits Fraud Hot Line (0800 783 0050).

In respect of 227 of the cases investigated, sufficient evidence was obtained to confirm that a total value of £194,628 fraudulent overpayments had been made.

These investigations have resulted in the issue of 11 sanctions, including 3 prosecutions, 6 cautions and 2 administration penalties as shown in Appendix A and arrangements have been made to recover the overpayments from all of the claimants.

The types of fraud being committed included undeclared tax credits, claiming income support or job seekers allowance when working, couples living together but claiming to be in a single person household, non residencies and undeclared income

5. RESOURCE IMPLICATIONS

It is estimated that the Council will grant approximately £31m housing benefits during the current financial year and will be able to claim all of that sum from the Department of Works and Pensions (DWP).

Unfortunately local authorities no longer receive any financial incentives from the Department of Works and Pensions to detect fraud. The rewards for issuing sanctions had previously been used to generally support the benefit service and the reduction in income from the DWP was taken into account in the setting of the budget for the current financial year. Every effort will continue to be made to prevent and detect fraud despite the withdrawal of the incentives

The amount of benefit fraud identified during the first half of the current financial year represents less than 1.2% of the total value of benefits granted during that period.

6. CONSULTATION

The Council is regularly in discussions with other agencies and other local authorities to consider best practice in the prevention and detection of fraud.

OTHER MATERIAL CONSIDERATIONS

7. LINKS TO CORPORATE OBJECTIVES/VALUES

The prevention and detection of housing benefit fraud meets the Council's Corporate Values of

- Being responsible with and accountable for public finances
- Taking into account crime

8. RISK MANAGEMENT

It is important that adequate and suitable arrangements are made to prevent the risk of fraudulent claims being made against the Council.

9. HEALTH AND SAFETY

Arrangements are made to minimise the risk to the health and safety of Officers when carrying out their investigations.

10. EQUALITY AND DIVERSITY

The present Policy is under review following the introduction of new legislation to prevent age discrimination

11. LEGAL AND CONSTITUTIONAL

See above

12. CRIME AND DISORDER

It is important that the Council makes reasonable arrangements to detect and prevent fraudulent Housing Benefit claims being made.

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Ward(s): Not Ward Specific

Key Decision Validation: Not a key decision

Background Papers: None

Appendices Appendix A-Sanctions undertaken April to September 2006

Examination by Statutory Officers:

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
4. Management Team has approved the report.	<input type="checkbox"/>	<input type="checkbox"/>

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