

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	24 September 2014
Subject:	Housing Benefit Fraud
Report of:	Richard Horton, Revenues and Benefits Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor A L Keyte
Number of Appendices:	None

Executive Summary:

This report advises Borough Councillors of the housing benefit fraud work undertaken during the financial year 2013/2014. It also goes on to explain that from 1 May 2015 the new Single Fraud Investigation Service will take over the responsibility for investigating housing benefit fraud.

Recommendation:

To CONSIDER the report and make recommendations where appropriate.

Reasons for Recommendation:

A requirement to report to the Audit Committee

Resource Implications:

Failure to protect the Housing Benefit system could result in a significant financial loss to the public purse. Potentially a loss in Housing Benefit Subsidy paid to the Council by the Department of Work and Pensions.

Legal Implications:

If in the event of staff transferring to the new Single Fraud Investigation Service; this will take place by way of a TUPE like transfer scheme, ensuring protection of existing terms and conditions of employment.

Risk Management Implications:

It is important that the Council has in place strong anti-fraud investigation procedures to maintain the integrity of the system.

Performance Management Follow-up:

Regular monitoring of our anti-fraud work.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 The Borough Council has an obligation to administer Housing Benefits on behalf of the Department of Work and Pensions (DWP). Part of its duties includes the investigation of Housing Benefit fraud. This is to ensure that the system is not abused and that the public purse is protected. It is important that assurance is given to the public and Councillors that benefit fraud is fully investigated and appropriate action is taken in case where benefit fraud has taken place. From 1 May 2015 the Borough Council will hand over the responsibility for investigating benefit fraud to the new Single Fraud Investigation Service.

2.0 HOUSING BENEFIT FRAUD WORK UNDERTAKEN DURING 2013/14

2.1 Currently the Council administers housing benefit to 4,149 households in the Borough. It is important to note that, as a proportion of referrals received in relation to the number of claims administered, frauds are relatively small in number. During 2013/14, the Borough Council received 347 referrals where fraud was suspected. Approximately 50% of the referrals were received from the DWP as part of its data matching activities. The remainder of the referrals came from our staff, members of the public and other organisations.

2.2 The majority of the referrals received were about failure to tell the Council about changes in circumstances. Namely, income from other sources, undeclared earnings and changes in the value of DWP benefits being received.

2.3 Out of the 347 referrals, 195 were fully investigated for benefit fraud. The majority of the investigations focused on failure to declare income, particularly over benefit and tax credit changes and changes to earnings.

2.4 The outcomes of the investigations resulted in 40 formal cautions being administered, 41 Administrative Penalties and 25 successful prosecutions.

2.5 The value of the fraudulent housing benefits overpayments discovered after the investigations were completed is set out as follows:

2012/13 – total o/p £104,730.79

2013/14 – total o/p £84,547.69

2.6 In all cases the Council makes every effort to recover the overpayments from those who have created the frauds. Sometimes payment is received in full but in most cases the overpayments are recovered by special arrangement or directly from on-going housing benefits. In some cases the Council will take the overpayments through the County Court and seek to recover the debts via the Courts enforcement agents.

3.0 SINGLE FRAUD INVESTIGATION SERVICE

3.1 The Government announced in 2010 that it would create a Single Fraud Investigation Service which would bring together investigators from the Department for Work and Pensions, Her Majesty's Revenues and Customs and Local Authorities.

3.2 The Single Fraud Investigation Service is a key part of the government's strategy in tackling fraud and error within the tax credits and benefits system.

- 3.3** From the 1 May 2015 the Borough Council will no longer be responsible for investigating benefit fraud; this responsibility will be taken on by the Single Fraud Investigation Service.
- 3.4** The Borough Council will still keep its responsibilities for investigating Council Tax Support
- 3.5** Potentially, there will be an impact on staff numbers. However, the full impact on our revenues and benefits structure has yet to be determined as the Single Fraud Investigation Service is not yet fully in place.
- 4.0 OTHER OPTIONS CONSIDERED**
- 4.1** None
- 5.0 CONSULTATION**
- 5.1** None
- 6.0 RELEVANT COUNCIL POLICIES/STRATEGIES**
- 6.1** The Housing and Council Tax Benefit Prosecution Policy
- 7.0 RELEVANT GOVERNMENT POLICIES**
- 7.1** The DWP has a policy and strategy for investigating benefit fraud.
- 8.0 RESOURCE IMPLICATIONS (Human/Property)**
- 8.1** There is a potential impact on staff numbers but as the Single Fraud Investigation Service is not fully in place it is difficult to determine what the actual impact will be.
- 9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 9.1** None.
- 10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 10.1** Obligation to protect the public purse.
- 11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 11.1** None.

Background Papers: None

Contact Officer: Richard Horton, Revenues and Benefits Group Manager
01684 272119 richard.horton@teWKesbury.gov.uk

Appendices: None