TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	19 July 2017
Subject:	National Fraud Initiative 2016/17
Report of:	Richard Horton, Head of Revenues and Benefits
Corporate Lead:	Rob Weaver, Deputy Chief Executive
Lead Member:	Councillor R Furolo, Lead Member for Finance and Asset Management
Number of Appendices:	None

Executive Summary:	
The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. This report details the outcomes of the 2016/2017 exercise for housing benefit matches.	
Recommendation:	
To CONSIDER the outcomes of the data matching exercise.	
Reasons for Recommendation:	
It is good practice to report findings to the Audit Committee, to give assurance as to the adequacy of the control environment	

Resource Implications:	
None specific to this report	
Legal Implications:	
None specific to this report	
Risk Management Implications:	
To ensure that adequate arrangements are in place for the prevention and detection of fraud.	
Performance Management Follow-up:	
Continual monitoring of housing benefit	
Environmental Implications:	
None	

1.0 INTRODUCTION/BACKGROUND

1.1 The National Fraud Initiative (NFI) matches electronic data within and between public and private sector bodies to prevent and detect fraud. These bodies include police

authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies.

1.2   Nationally, the NFI helped trace almost £198 million in fraud, error and overpayment in England during the period from 1 April 2014 to the 31 March 2016. During the same period the NFI identified £24 million of fraud error and overpayment in Scotland, Wales, and Northern Ireland. This brings the total outcomes since the last reporting to £222 million. This represents a slight fall from the £229 million reported for the period from 1 April 2013 to 31 March 2014. There have been changes to the estimation methodologies which mean that this is not a true like for like comparison. Since it began, the NFI has enabled the participants to detect and prevent fraud and error overpayments totaling £1.39 billion.

1.3   Public sector bodies are required to submit data to National Fraud Initiative on a regular basis for their data to be cross-checked against other government departments and other organisations' databases. The exercise focuses mainly on checking the correct eligibility for housing benefit and ensuring that housing benefit recipients have reported changes in circumstances.

2.0   **The National Fraud Initiative Data Matching Exercise 2016/17**

2.1   The 2016/17 data matching exercise on housing benefit has been completed.

2.2

Year	Type of match	Total Matches	Fraud	Errors	Over claimed Housing Benefit
2014/15	Housing Benefit Data Matches	531	17	44	£59,878.67
2016/17	Housing Benefit Data Matches	321	1	69	£8,835.28

The outcomes for 2016/17, when compared to the previous review show a considerable fall in the number of data matches as well as a reduction in the amount of over-claimed housing benefit; however, errors have increased. In the one case of fraud detected, this has been forwarded to the Single Fraud Investigation Service to consider further action. Local Authorities no longer investigate housing benefit fraud. In all of the above cases action is taken to recover the overpayments. The Benefits staff are doing more preventative work with our customers as well as automating our systems to update claims with benefit changes as soon as notified. Whilst it is good news that the value of the overpayments found and fraud committed has dramatically fallen, it is disappointing that the numbers making errors has increased.

2.3   During 2016/17 the Council paid out over £19 million pounds in housing benefits and administered to 3,970 housing benefit recipients. In terms of numbers and values of overpayments found the impact is very small.

2.4   The new Central Fraud Unit will be taking forward further National Fraud Initiative reviews in the near future.

3.0   **OTHER OPTIONS CONSIDERED**

3.1   None

4.0   **CONSULTATION**

4.1   None

5.0   **RELEVANT COUNCIL POLICIES/STRATEGIES**

5.1   Anti-Fraud and Corruption Policy

6.0   **RELEVANT GOVERNMENT POLICIES**

6.1   Central Government has a policy on protecting the public purse

7.0   **RESOURCE IMPLICATIONS (Human/Property)**

7.1   None

8.0   **SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

8.1   None

9.0   **IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

9.1   Central Government and so do local authorities have a duty to protect the public purse.

10.0   **RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

10.1   None

Background Papers: None

Contact Officer: Richard Horton, Head of Revenues and Benefits
01684 272119   Richard.Horton@tewkesbury.gov.uk

Appendices: None