

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	23 March 2016
Subject:	National Fraud Initiative
Report of:	Richard Horton, Revenues and Benefits Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D J Waters, 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 2014/2015 exercises for both single person discount and 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 the single person discounts and housing benefit changes in circumstances

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 The NFI helped trace almost £203 million in fraud, error and overpayment in England in the 2012/13 exercise, bringing the UK total since its launch in 1996 to £1.17 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' data bases. The exercise focuses mainly on checking the correct eligibility for single person discounts and ensuring that housing benefit recipients have reported changes in circumstances.

2.0 THE NATIONAL FRAUD INITIATIVE

- 2.1 The 2014/15 data matching exercise on council tax single person discount has been completed. In January 15 the following matches were released and outcomes found:

Type of match	Matches	Ineligible awards found	Over claimed discount.
Council tax single person discount matches through National Fraud Initiative data.	525	99	£32,512.81
Council Tax matches identifying where a residents has reached the age of 18.	82	25	£7,542.17
Totals	607	124	£40,054.98

- 2.2 The outcomes, when compared to the previous review, show a fall in the number of incorrect awards of single person discount. Where previously the total number of ineligible discounts found was 176 and a total of £59,492.45 found in over-claimed discount
- 2.3 During 2014/15 the total value of awards for single person discount amounted to £3,822,576.74 with a total number of single person discounts claims amounting to 12,083. The amount found is relatively small in value although it is important that the discounts are checked to ensure that those who are eligible to receive the award continue to receive it. The average over-claim in 2014/2015 amounted to £323 per case.
- 2.4 Going forward, we are doing joint work with the newly formed Counter Fraud Hub which is made up of a consortium of local authority staff, backed by the districts in

Gloucestershire. They will be carrying out a major review of our single person discount awards during 2016. Going out with our annual council tax bills there will be a single person discount review form to be completed by the recipient. Staff from the Counter Fraud Hub and Borough Council will be carrying out checks on the returned forms to ensure that awards have been correctly made. We will also be carrying out checks on the latest matches received from the National Fraud Initiative.

2.5 Throughout 2015, staff carried out checks on matches provided by the National Fraud Initiative on housing benefit claims: The outcomes of the exercise are shown below:

Matches	Cleared	Frauds	Claimant Errors	Total overpayments
589	532	16	41	£ 59,878.67

2.6 The fraudulent claims have been passed over to the Department Work and Pensions to investigate and we are awaiting the outcomes to their investigations. When comparing the outcomes to the total number of claims and awards to the housing benefit: we have a caseload of 4,079 and total housing benefit awards of approximately £19 million. The exercise in itself did not establish a significant amount of fraud an error. Again, this exercise is important to ensure that claims are accurate and awards of benefit are appropriately made.

2.7 The Revenues and Benefits section makes every effort to collect the arrears created through both exercises. Where payment is not made enforcement action is taken and will result in cases going to court where the Borough Council applies for powers to collect the debts through enforcement agents, or through attachment to earnings orders or deductions from ongoing benefits.

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

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Appendices: None