



Committee and Date

Audit Committee

22 March 2012

10.00 am

Item

5

Public

BENEFIT FRAUD TEAM – PERFORMANCE MONITORING REPORT

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1. Summary

The Council's Benefit Fraud Team investigates fraudulent claims for Housing and Council Tax Benefit (HB/CTB) and other Welfare Benefits, jointly with the Department for Work and Pensions (DWP). This report provides Members with performance monitoring information on the activities of the team for the financial year 2011/12 to date.

2. Recommendations

Members are asked to approve, with or without comment, the position as set out in this report on the Benefit Fraud team performance.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 The Council provides Housing Benefit and Council Tax Benefit by virtue of a scheme, under Section 123 of the Contributions and Benefits Act 1992 and administers the scheme in accordance with the Social Security Administration Act 1992.

3.2 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

3.3 There are no direct environmental, equalities, climate change or consultation consequences of this proposal.

4. Financial Implications

- 4.1 The Benefit Fraud Team currently comprises of 6.6 FTE Investigation Officers, a Team Leader and 0.5 FTE Administration Officer, the service is provided within an approved budget of £327,880.
- 4.2 The result of the investigations into fraudulent claims to Housing Benefit and Council Tax Benefit identified £597,060 of overpaid benefits in 2010/11 and £420,104 for the financial year 2011/12 up to the 29th of February 2012.
- 4.3 In addition to the overpayments recovered, the Council receive 40 per cent in subsidy payments through Central Government for any monies identified as overpayments.

5. Background

- 5.1 The Council has over 25,000 Housing Benefit and Council Tax Benefit (HB/CTB) claimants, paying out in excess of £80 million per year.
- 5.2 The legislation relating to the payment of HB/CTB is complex, so it is important that the Benefit Service ensures that individual claimants to benefit report their changes in circumstances promptly. Failure to report either with or without intent can lead to large overpayments of benefit.
- 5.3 The Benefit Fraud Team receives referrals of fraud from members of the public, staff, and other agencies including the National Fraud Initiative and the Housing Benefit Matching Service.
- 5.4 On the 1st of April 2011 the Benefit Fraud Team moved to the Public Protection and Enforcement Service.
- 5.5 Currently, the investigation of Housing and Council Tax Benefit fraud is the responsibility of local authorities. On the 17th of February 2011 the Government published the Welfare Reform Bill, containing provisions for a new Single Fraud Investigation Service (SFIS) which will commence in 2013. The new service will become responsible for investigating the revised Housing Benefit and where appropriate prosecuting fraud related to Social Security benefits and tax credits and, from October 2013, Universal Credit.

6. Performance

- 6.1 **Housing Benefit and Council Tax Benefit Overpayments identified by the Benefit Fraud Team.**

Benefit Type	2009/10	2010/11	2011/12 (to the 29/02/12)
Housing Benefit Overpayments	£240,980.000	£457,900.420	£311,950.68
Council Tax Benefit Overpayments	£73,230.000	£139,160.430	£108,153.51

Totals	£314,210.00	£597,060.85	£420,104.19
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6.2 **Actions taken by the Fraud Team**

Sanction Type	2009/10	2010/11	2011/12 (to the 29/02/12)
Cautions	34	112	99
Admin Penalties	14	46	49
Prosecutions	15	35	58

6.3 The total Welfare Benefit overpayments identified in addition to Housing Benefit and Council Tax Benefit in 2010/11 was £101,253 and 2011/12 to the 29/02/12 is £174,232.

6.4 Shropshire Council may use Administrative Penalties as an alternative to prosecution. An Administrative Penalty is a financial sanction equivalent to 30% of the benefit overpayment. This is in addition to the total overpayment of benefit which is also recoverable. The table below shows the total amount of Administrative Penalties that have been accepted by customers as an alternative to prosecution action.

6.5 **Total Administrative Penalty Repayments Accepted**

	2009/10	2010/11	2011/12 (to the 29/02/12)
Admin Penalty Repayments	£3,957.69	£8,349.81	£20,682.88

7. **Conclusions**

7.1 The Fraud Service has continued to deliver and improve its performance, following its move to a different Service area and the on-going implications of changes with Universal Credit.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Welfare Reform Bill Feb 2011

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council and Brian Williams, Chairman of Audit Committee.

Local Member - N/A

Appendices - None

