

Southend-on-Sea Borough Council

Report of Corporate Director Support Services
to

Audit Committee

on

16th June 2010

**Agenda
Item No.**

Report prepared by: Pam Bath - Group Manager-Investigation

Housing Benefit Investigation Team Performance Report 2009/10

Executive Councillor: Councillor Moring

A Part 1 Public Agenda Item

1. Purpose of Report

To report on the work carried out by the Team for the period April 2009 to March 2010.

2. Recommendation

That the performance report be accepted.

3. Background

3.1 The Housing Benefit Investigation Team forms part of the Revenues and Benefits Service. Their remit is to investigate suspected cases of benefit fraud. The team play an important role in protecting the public purse and ensuring that benefit payments go to those who are genuinely entitled to them.

3.2 Robust processes are in place to safeguard the gateway to Housing and Council Tax Benefit and ensure that so far as possible claimants are genuine and are entitled to receive benefit. These processes can highlight cases which require further investigation, for example, failure to declare all sources of income. In addition, referrals are received from the public, from Benefit staff and from data matching exercises carried out by Government agencies.

3.3 Where fraud is detected a number of sanctions are available. If there has been an admission of guilt, a caution or an administrative penalty amounting to 30% of the wrongly claimed benefit can be administered. In more serious cases or where there is evidence of fraud but no admission of guilt, the claimant will be prosecuted.

4. Performance

- 4.1 There are a number of Best Value Performance Indicators (BVPIs) which relate to the work of the Investigation Team and performance in relation to these is shown in the following table:

BVPI	2009/2010 Target	2009/2010 Results
76(b) Number of fraud investigators employed	7	7
76(c) Number of fraud investigations completed	335	461
76(d) Number of successful prosecutions and sanctions	125	126

- 4.2 Of the 126 sanctions achieved in the last financial year, 32 were Cautions, 65 Administrative Penalties and 29 successful Prosecutions with sentences ranging from 60 hours Community Punishment Order to 16 months imprisonment (4 months specifically for the Housing Benefit charge – jointly prosecuted with the Police)

Overpaid Housing Benefit amounting to £283,300 has been identified and over 43% of this has already been recovered.

- 4.3 A majority of these sanctions resulted from referrals from the Benefit assessment staff and the Housing Benefit Data Matching Service. A large number of the frauds were as a result of claimants failing to declare income from other sources including:

- Failure to advise of awards or increases in Tax Credits.
- Working and failing to declare receipt of income.
- Failure to declare capital.

- 4.4 As a deterrent to others considering fraud, any successful prosecutions are publicised in the local press to emphasise the Council's determination not to tolerate fraudulent claims.

Future Performance

- 5.1 Following the Mock inspection of Revenue & Benefits in January 2010 it was imperative that the Investigation Teams targets and focus were reviewed.

The inspection report high-lighted that the “ team are chasing targets in excess of 120 sanctions per year which results in a focus on easy to detect and sanction cases such as late declared changes in circumstances. Staff and some stakeholders feel this inappropriate and leads to real problem areas going undetected because they take

longer to investigate (i.e. living together, Working and Drawing)".

5.2 An analysis of the referrals received in the last financial year 2009/10 indicates that the top three types of referrals are as follows:

- Living together cases
- Working and drawing
- Income from other sources

Therefore the Investigation Team will carry out pro-active exercises in the three areas high-lighted above and the sanctions target has been adjusted accordingly. It should be noted that Living together cases are more resource intensive and are likely to result in very few sanctions, however it is a prevalent area of fraud in Southend and therefore needs to be addressed.

5.3 The following targets have been agreed with the Martin Hone, Head of Finance and Resources:

BVPI	2009/2010 Target	2010/2011 Proposed Target
76(b) Number of fraud investigators employed	7	7
76(c) Number of fraud investigations completed	335	485
76(d) Number of successful prosecutions and sanctions	125	65

The targets above reflect and take into account of the following programme of work:

- Pro-active exercises – in order to target prevalent areas of fraud.
- Sanctions – to demonstrate that the Council takes fraud seriously and sanctions also act as deterrent.
- National Fraud Initiative – matches due to be received in January 2011.
- Closer working with Internal Audit – to support Internal Audit with internal investigations (to be finalised in June 2010 Audit Committee)

6. Joint Working

- 6.1 The team have jointly instigated investigations on 49 cases with the Fraud Team from the Department for Work and Pensions and 26 cases are still on going. These are cases where there is suspicion of a fraudulent claim for a DWP benefit such as Jobseekers Allowance as well as Housing Benefit.

6. Corporate Implications

- 6.1 Resource Implications (Finance, Property, People)

The team work within their approved budget and help to avoid loss of resources by preventing and detecting fraudulent benefit claims.

- 6.2 Contribution to the Council's Vision and Critical Priorities

The team contribute to the Corporate Aim of being "An Excellent Council" and the Corporate Objectives of "Becoming a High Performing Organisation".

- 6.3 Consultation

None undertaken.

- 6.4 Equalities Impact Assessment

The work of the Investigation Team was assessed as part of the published Equalities Impact Assessment for the Revenues and Benefits service.

- 6.5 Risk Assessment

Failure to operate an effective counter-fraud services would increase the risk of loss to the public purse and damage the reputation of the Council.

- 6.6 Value for Money

The Investigation Team reduce the risk of loss of resources through fraud.

- 6.7 Community Safety Implications and Environmental Impact

Criminal activity is prosecuted where appropriate.

7. Background Papers

7.1 Case papers held in the Housing Benefit Investigation Team.

8. Appendices

None.