

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Audit, Governance and Standards Committee  
18 June 2014

**From:** Director of Support Services and Deputy Chief Executive

**Subject:** ANNUAL REPORT ON COUNTER FRAUD AND ANTI-CORRUPTION 2013/14

All Wards

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### **1.0 PURPOSE AND BACKGROUND:**

1.1 The purpose of this report is to inform Members of the work that has been undertaken on Counter Fraud and Anti-Corruption during 2013/14.

### **2.0 WORK UNDERTAKEN:**

2.1 The work undertaken by the Housing Benefit Section and its structure is detailed in Annex 'A'.

2.2 The work undertaken on behalf of the Council by Veritau North Yorkshire Ltd is of an unplanned or specific nature. During 2013/14 there were no items requiring investigation.

### **3.0 RISK ANALYSIS:**

3.1 There are no risks associated with considering this report.

### **4.0 RECOMMENDATION:**

4.1 It is recommended that Members note the Counter Fraud and Anti-Corruption work that has been undertaken during the year to 31 March 2014.

JUSTIN IVES

**Background papers:** None

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**COUNTER FRAUD AND ANTI CORRUPTION WORK UNDERTAKEN IN 2013/14**

**HOUSING BENEFIT SECTION**

During 2013/14 the Housing Benefit Team was part of the shared Revenues and Benefits Service until January 2014 when the partnership was dissolved. Therefore administration of the Benefit Service saw some structural changes during the year.

For the period April 2013 to December 2013 the Benefits service was led by the joint Revenues and Benefits Manager and consisted of a Benefit Administration Team, a Service Development Team and a Benefit Investigations and Compliance Team.

The Overpayment Officer role (equivalent to 1FTE) was a specific post and formed part of the Council's Recovery Team, reporting to the Principle Revenues Officer. For the majority of 2013/14 the resource in this area was reduced to 0.6 FTE.

From January 2014 the Benefits Service was led by the Benefit Manager and consisted of a Benefit Administration Team and a Benefit Investigations and Compliance Team. The role of overpayments was incorporated into the Benefit Assessment Officers' duties to help reduce the delay from identification of the overpayment to commencement of recovery action and provide more resilience in terms of resource.

The proactive work of the Benefit Administration Team includes verifying information supplied in respect of Housing/Council Tax Benefit applications to prevent fraud and error entering into the system at the start of a claim. The section dealt with over 13,000 changes and new claims over the year.

The proactive work of the Benefit Investigations and Compliance Team is responsible for detecting fraud and error within the benefit system and administering the relevant sanctions from penalties to prosecution. Allegations can be from several sources, including data matching services such as the National Fraud Initiative.

2013/14 also saw the Council Tax Benefit scheme replaced with the Council Tax Reduction scheme. Not only did this introduce new legislation for the Benefit Administration Team with regards to the assessment of Council Tax support, it also introduced new investigative powers and offences for the Council's Investigation and Compliance Team to work with such as the application of a civil penalty for failing to report a change in circumstance.

The Council is committed to ensuring that fraud and error is prevented from entering the system, hence the transfer of the verification scheme into the new local Council Tax Reduction scheme and the move towards a more risk based verification approach where the profiles of case circumstances sees resources targeted to those cases where there is higher risk of a change in circumstance going unreported.

## **SUMMARY OF WORK UNDETAKEN**

The Investigations and Compliance section had a busy 2013/14 with 11 cases proceeding to Court, all of which were found guilty.

We are also working with Trading Standards on two cases under the Proceeds of Crime Act to recover the overpayments of approximately £45,000

This table shows the results for the Team from investigation cases only with a comparison to 2012/13

Allegations	Completed Investigations	Guilty prosecutions	Administration Penalties	Formal Cautions	Overpayments £	Year
169	51	11	3	4	HB £142,586 CT £30,008	13/14
178	82	3	10	6	HB £162,471 CT £37,085	12/13

HB – Housing Benefit overpayments identified via the Fraud Team

CT – Council Tax Benefit overpayments and reclaimed Council Tax Reduction amounts

Housing Benefit overpayments are recovered from either ongoing benefit entitlement or direct from the customer via an arrangement. Should a customer default on any arrangement, further recovery action is taken such as attachment to earnings or referral to enforcement agents.

It is expected that outcomes from Council Tax Reduction investigations will come to conclusion in 2014/15.

### **National Fraud Initiative (NFI)**

We completed the 2010 national exercise and have now almost completed the 2012 exercise which identified 473 matches to be checked against our systems for fraud and error. From these matches, 8 cases were identified for investigation, 3 of which are likely to progress to sanction action. Overpayments identified from the exercise to date total £30,730 (not included in the table above figures)

### **Housing Benefit Matching Service**

The Council receives monthly matches which indicate that there are inconsistencies between the data we hold and that held with the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC), these matches are checked and either enquires are made to correct the data or an investigation will be opened.

We received 275 matches, there are still some outstanding, however, to date £46,000 of overpayments have been identified (not included in any of the above figures)