

REPORT TO: POLICY AND RESOURCES COMMITTEE - 9 MARCH 2009
REPORT ON: COUNTER-FRAUD REPORT - AS AT 31 DECEMBER 2008
REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)
REPORT NO: 148 - 2009

1.0 PURPOSE OF REPORT

This report is to inform the Elected Members on the Revenues Division's Housing Benefit and Council Tax Benefit Counter Fraud activity as at 31.12.08

2.0 RECOMMENDATIONS

It is recommended that the Committee approve the Counter-Fraud Performance Report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

The Counter-fraud team are concentrating resources towards increasing joint working with the DWP to ensure that the reports to the Procurator Fiscal include multiple benefits.

This is reflected in the volume of cases referred to the Procurator Fiscal for this financial year.

5.0 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management and no issues have been identified.

6.0 CONSULTATIONS

The Chief Executive, Depute Chief Executive (Support Services), and Head of Finance.

7.0 BACKGROUND PAPERS

None

D K Dorward Depute Chief Executive (Finance)	Date:	
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COUNTER-FRAUD SECTION PERFORMANCE
(figures, unless stated otherwise are as at 31 December 2008)

PROJECTED INCOME FROM COUNTER FRAUD ACTIVITY

INCOME SOURCE		COUNCIL TENANTS HOUSING BENEFIT	PRIVATE TENANTS HOUSING BENEFIT	COUNCIL TAX BENEFIT	TOTALS
* Benefit Overpayments		£	£	£	£
	Classified as Fraud	44,611	29,612	15,858	90,081
	Classified as Claimant Error	25,615	2,863	8,394	36,872
Administrative Penalty Income					4,658
TOTALS		70,226	32,475	24,252	126,953

*The Council receive a 40% reimbursement on overpayments until the overpayment of benefit is recovered in full therefore these amounts represent only 40% of the anticipated income.

	2008/9	2007/8
Fraud Overpayments	90,081	139,632
Claimant Error Overpayments	36,872	37,111
Administrative Penalties Income	4,658	5,821

REDUCTION & CESSATION OF BENEFITS

	2008/9	2007/8
Benefit amendments processed	169	134
Investigations where either a reduction or cessation of benefit transpired	80	75
Percentage	47%	56%
Overall Benefit Overpayments identified by the counter fraud section (100% figure as opposed to 40% as used in the previous income table)	£317,383	£441,858
Benefit Fraud Overpayments	£225,203	£349,080
Benefit Claimant Error Overpayments	£92,180	£92,778

SANCTION POSITION STATEMENT

	2008/9	2007/8
Prosecutions referred to Procurator Fiscal	27	2
Administrative Penalties	14	24
Administrative Cautions	11	23
Total Sanctions	52	49
Joint working sanctions	30	11
LA sanction variances	0	1
Joint working sanction variances	0	0

PROSECUTION POSITION STATEMENT

2007-2008 Full Year/ 2008-2009 Year to date	Guilty Verdicts		Not Guilty		*No Proceedings (reasons outside the Council's control)		** No Proceedings (reasons within the Council's control)		Reports referred	
	DWP led joint cases	LA cases including LA led joint cases	DWP led joint cases	LA cases including LA led joint cases	DWP led joint cases	LA cases including LA led joint cases	DWP led joint cases	LA cases including LA led joint cases	DWP led joint cases	LA cases including LA led joint cases
2007/2008	0	1	0	0	0	3	0	0	1	1
2008/2009	0	2	0	0	7	1	0	0	20	7

HOUSING BENEFIT RECOVERIES AND FRAUD RETURNS (HBRF)

(reported for the quarter October - December)

With effect from 01 April 2008 the Performance Standards have been replaced by the Housing Benefit Recoveries and Fraud returns which are reported below.

	2008/9	2007/8
No of full time equivalent fraud investigators at the end of each quarter	5	5
No of cases referred to the LA fraud investigation section during the quarter	293	*N/A
No of cases subject to investigation by the fraud section that were closed during this quarter	69	*N/A

Total number of cases under investigation that related to DWP administered benefits that were closed during this quarter	39	*N/A
Number of cautions offered and accepted during the quarter	4	*N/A
Number of administrative penalties offered and accepted during the quarter	3	*N/A
Number of administrative penalties offered and accepted with a DWP benefit interest during the quarter	2	*N/A
Number of cases accepted for prosecution during the quarter	16	*N/A
Number of cases accepted for prosecution with a DWP benefit interest during the quarter	14	*N/A
Number of prosecutions resulting in guilty outcomes (include guilty please and verdicts) during the quarter	0	*N/A
Number of prosecutions resulting in guilty outcomes with a DWP benefit interest during the quarter	0	*N/A

* HBRF introduced from 01.04.08 - comparison figures not available until 01 April 2009

RECOVERY OF BENEFIT FRAUD OVERPAYMENTS

	2008/9	2007/8
Paid in full	49.92	47.75
Automatic deductions from ongoing benefit entitlement	16.88	19.46
Arrangement in place	6.15	5.4
Sheriff Officer recovery in place	0.61	1.26
Total % cases recovered or where recovery in place	73.56	73.87
Total % non-recoverable cases (technical , LA or DWP error)	0.93	0.90
Total % write off cases	9.67	10.09
Total % cases where recovery procedures are still ongoing where the debtor has failed to put repayment procedures in place	15.84	15.14

COUNTER-FRAUD REFERALLS

	2008/9	2007/8
Council Non-Revenues	96	18
Revenues	288	240
External to Council	299	374
Totals	683	632
Public (included in External to Council count)	253	166

COUNTER-FRAUD IMPACT ON BENEFIT PROCESSING

	2008/9	2007/8
Total no of cases where matters raised by counter-fraud activity have required action by Revenues in order to secure the benefit system further against fraud	2	0

INVESTIGATION PERCENTAGE SUCCESS RATE

	2008/9	2007/8
Percentage success rate on case closures	34%	40%
No of current live investigations	182	138

COMPLAINT MONITORING

No of complaints received in relation to our counter-fraud activity	2008/9	2007/8
	0	0

D K Dorward
Depute Chief Executive (Finance)

Date: 9 March 2009

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