

REPORT TO: POLICY AND RESOURCES COMMITTEE - 1 JULY 2009
REPORT ON: COUNTER-FRAUD REPORT FOR FINANCIAL YEAR 2008/09
REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)
REPORT NO: 348-2009

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 for the financial year to 31 March 2009

2.0 RECOMMENDATIONS

It is recommended that the Committee approves the Counter-Fraud Performance Report

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

Counter-fraud performance data for the financial year 2008/09 and comparison data for 2007/08 are included in the attachment to this report.

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

David K Dorward Depute Chief Executive (Finance)	Date:	15 JUNE 2009
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COUNTER-FRAUD SECTION PERFORMANCE
(figures, unless stated otherwise are as at 31 March 2009)

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	67,822	56,423	28,483	152,728
	Classified as Claimant Error	27,783	3,601	14,375	45,759
Administrative Penalty Income					6,926
TOTALS		95,605	60,024	42,858	205,413

* The Department for Work and Pensions pay subsidies to local authorities for administering the Housing Benefit and Council Tax Benefit schemes. There are certain areas of benefit spending where local authorities have scope to monitor and control costs and for such cases, subsidy is paid at a reduced rate.

Where a benefit overpayment has been classified as either fraud or claimant error, then the local authority receive subsidy to the value of 40% of these overpayments. The local authority will also endeavour to recover in full, from the claimant, the overpaid benefit.

Comparison	2008/9	2007/8
Fraud Overpayments	152,728	148,645
Claimant Error Overpayments	45,759	48,231
Administrative Penalties Income	6,926	6,395

REDUCTION & CESSATION OF BENEFITS

Reduction & Cessation of benefit information	2008/9	2007/8
Completed investigations	275	293
Investigations where either a reduction or cessation of benefit transpired	141	164
Percentage	51%	57%
Overall Benefit Overpayments identified by the counter fraud section (100% figure as opposed to 40% as used in the previous income table)	£496,221	£492,645
Benefit Fraud Overpayments	£381,821	£372,068
Benefit Claimant Error Overpayments	£114,400	£120,577

SANCTIONS	2008/9	2007/8
Prosecutions referred to Procurator Fiscal	38	12
Administrative Penalties	20	32

Administrative Cautions	14	25
Total Sanctions	72	69
Joint working sanctions	43	22
LA sanction variances (where action has been found necessary that is outside the Benefit Sanction Policy - once approved by Committee this aspect of our work is added to the policy)	0	0
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	3	0	0	5	6	0	1	7	5
2008/2009	1	2	0	0	20	5	0	0	28	10

HOUSING BENEFIT RECOVERIES AND FRAUD RETURNS (HBRF)

(for the quarter January to March 2009)

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

HBRF	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	253	229
No of cases subject to investigation by the fraud section that were closed during this quarter	104	76
Total number of cases under investigation that related to DWP administered benefits that were closed during this quarter	59	*N/A
Number of cautions offered and accepted during the quarter	3	2
Number of administrative penalties offered and accepted during the quarter	6	8
Number of administrative penalties offered and accepted with a DWP benefit interest during the quarter	4	*N/A

Number of cases accepted for prosecution during the quarter	11	1
Number of cases accepted for prosecution with a DWP benefit interest during the quarter	9	*N/A
Number of prosecutions resulting in guilty outcomes (include guilty please and verdicts) during the quarter	1	0
Number of prosecutions resulting in guilty outcomes with a DWP benefit interest during the quarter	1	*N/A

* HBRF introduced from 01.04.08 - certain comparison figures are not available for 2008-2009

RECOVERY OF BENEFIT FRAUD OVERPAYMENTS	2008/9	2007/8
Paid in full	49.20	47.94
Automatic deductions from ongoing benefit entitlement	16.26	18.20
Arrangement in place	4.93	5.85
Sheriff Officer recovery in place	0.44	1.03
Total % cases recovered or where recovery in place	70.83	73.02
Total % non-recoverable cases (technical , LA or DWP error)	0.87	0.86
Total % write off cases	9.72	9.97
Total % cases where recovery procedures are still ongoing where the debtor has failed to put repayment procedures in place	18.58	16.15

COUNTER-FRAUD REFERALLS	2008/9	2007/8
Council Non-Revenues	120	22
Revenues	374	384
External to Council	609	475
Totals	1103	1011
Public (included in External to Council count)	346	228

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	2

INVESTIGATION PERCENTAGE SUCCESS RATE	2008/9	2007/8
Percentage success rate on case closures	38%	36%
No of current live investigations	121	63

COMPLAINT MONITORING	2008/9	2007/8
No of complaints received in relation to our counter-fraud activity	0	1

D K Dorward
Depute Chief Executive (Finance)

Date: 22 JUNE 2009

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