



<b>GA.10 13/14</b>
<b>Governance and Audit</b>
<b>Date: 27<sup>th</sup> June 2013</b>

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**Subject: Summary of Benefit Fraud 2012/2013**

Report by:	Alan Robinson
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Purpose / Summary:	To review the number, type and results of fraud investigations made to the Council during 2012/2013

**RECOMMENDATIONS:**  
**That Members note the 2012/2013 results and where appropriate suggest corrective action**

**IMPLICATIONS**

**Legal: None**

**Financial : None**

**Staffing : None**

**Equality and Diversity including Human Rights : N/A**

**Risk Assessment : N/A**

**Climate Related Risks and Opportunities : None**

**Title and Location of any Background Papers used in the preparation of this report:**


**Call in and Urgency:**

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

**Yes**

**No**

**Key Decision:**

**Yes**

**No**

## **1. Introduction**

- 1.1 In March 2008 the Corporate Governance Group agreed to submit an annual report to this Committee on Fraud. This report deals specifically with Benefit Fraud investigated by the Investigation Team

## **2. Background**

- 2.1 The Council has an investigations team of 1.8 investigators who work within Revenues and Benefits. All of the investigations which they carried out during 2012/2013 related to Housing and Council Tax Benefit. Referrals for investigations came from various sources including the Department of Work and Pensions, Housing Benefit Matching Service, staff and members of the public.

## **3. Analysis of Investigations 2012/2013**

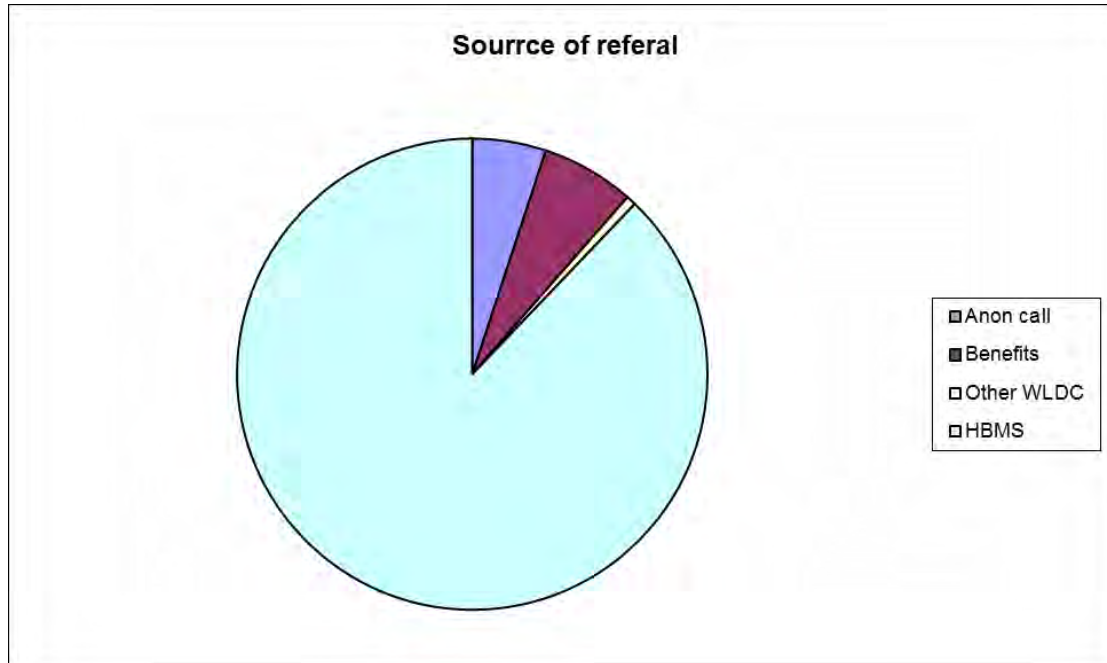
- 3.1 During 2012/2013 the investigations team received 1054 referrals to consider investigating for fraud. The table below shows the number of referrals and the outcomes following investigation.

Table 1

	Number	Percentage of referrals
Referrals received	1054	
Investigations carried out	505	48%
Fraud Proven	140	28%
Cautions carried out	55	39%
Administrative Penalty carried out	1	0.001%
Prosecutions	12	8.6%

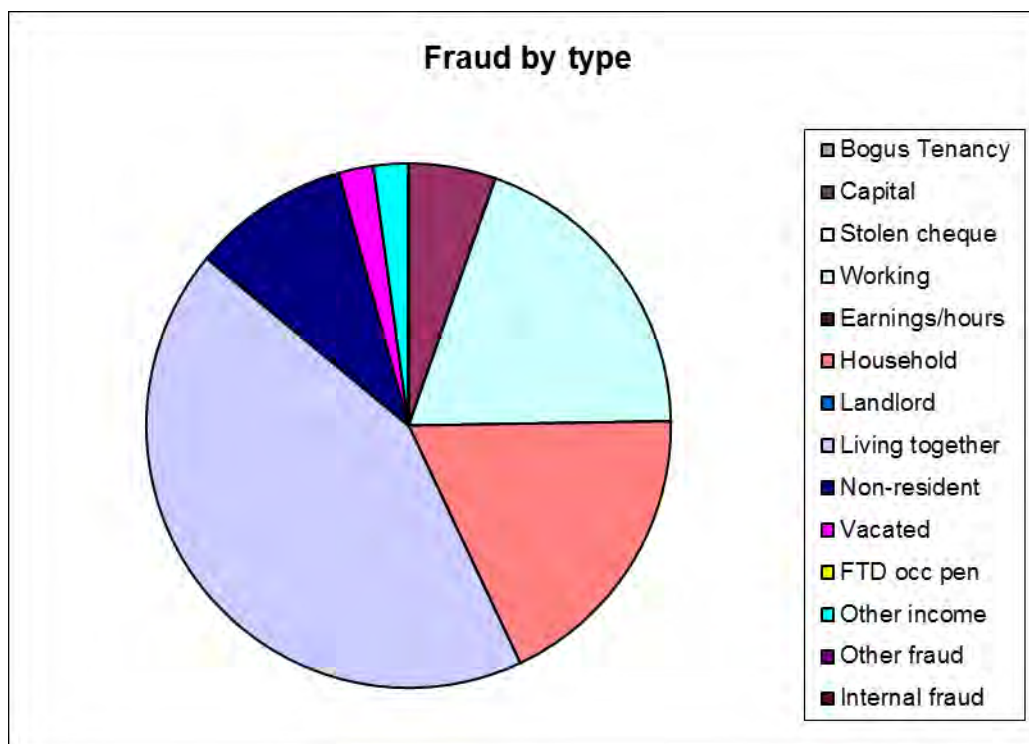
- 3.2 An assessment is made against each referral to establish whether there is a need to carry out an investigation. No investigation would take place where the allegation was too vague or where the information provided has already been declared
- 3.3 The table shows that 28% of the referrals received resulted in fraud being proven. Analysis of these results allows for the assessment of the referrals to be refined so that the cases with the most likelihood of success are investigated. For 2007/2008 there was a Best Value Performance Indicator for sanctions administered to benefit Fraudsters. This is no longer a national indicator but it has been retained as a local indicator. West Lindsey's performance is the best of the Lincolnshire Districts with whom we benchmark.

3.4 The graph below shows the source of referrals received by the fraud team during 2012/2013. The 2 main sources are the Housing Benefit Matching Service (HBMS) (919) and the Benefits Team (67). However we also received 53 anonymous allegations from members of the public.



3.5 Fraud awareness is really important to the team. Press releases are produced for all successful prosecution cases to keep the service in the public eye. Internally the Investigation team are represented in the Corporate Enforcement group and regular meetings have taken place with the public protection team and housing to create a consistent approach to enforcement.

3.5 The graph below shows details of the different types of fraud that have been investigated. There is a wide variation of fraud types however because there are no review periods this year has shown an increase in failing to update any changes in income be that Earnings, Benefits or Pensions. The most significant change in 2012/2013 is a continued increase in claims where single parents fail to declare partners living with them and or other household changes. This also affects their entitlement to income support and the level of overpayment is therefore increased.



3.7 The above table shows that a high proportion of frauds proven are as a result of undeclared partners or additional household members. The team have now got direct access to a credit referencing service which will speed up investigations of this type.

#### 4. Conclusion

4.1 The investigation team have continued to concentrate on more serious fraud by using a risk scoring mechanism. The value of overpayments attributed to fraud in 2012/2013 was £106623. Every possible effort is made to recover this debt.

The number of sanctions applied remains fairly static, again this is due to policy changes at the Department of Works and Pensions who no longer investigate cases where the overpayment of benefit is likely to be less than £2000. This has impacted on the number of joint investigations undertaken and therefore reduced the number of cautions offered.

In the most serious cases fraudsters are prosecuted at the Magistrates Court. Between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2012 12 fraudsters were prosecuted. This is lower than last year which is attributable to the change in the processing of files for prosecution. From April 2012 the Crown Prosecution Service took over the checking of files presented and booking them into court when accepted. They have been seriously overloaded with work and therefore the process has taken much longer than previously.

A target for this financial year is to improve the recovery rate for overpayments attributed to fraud.