

Meeting Date	25/05/11
Report Title	Benefit Fraud Annual Report 2010/11 – “Activity & Outcomes”
Portfolio Holder	Duncan Dewar-Whalley
SMT Lead	Brian Planner
Head of Service	Brian Planner
Lead Officer	Janice Watts
Key Decision	No
Classification	Open
Forward Plan	Reference number:

Recommendations	1. Consider the results of the Investigation Team for year 2010/11
	2. Consideration be given to the impact on SBC of the Single Fraud Investigation Service – due to start in April 2013.

Purpose of Report and Executive Summary

- 1.1 This report provides a summary of activities and outcomes undertaken during 2010/11 by Swale Benefits Investigation Team in conjunction with their partners from The Department for Work and Pensions (DWP) under the banner of “One Customer One Team” (OCOT).
- 1.2 Introduces preliminary details of the proposed national Single Fraud Investigation Service which is due to commence in April 2013.

2 Background

2.1 The primary role of the team is: -

- The Detection / Investigation / Prevention of Benefit fraud.
- To ensure persons who commit fraud are dealt with appropriately in accordance with SBC / OCOT Prosecution and Sanction Policy with reference to the Crown Prosecutors’ Evidential & Public Interest tests.
- Promote fraud awareness amongst staff, customers, landlords & other third parties.
- Support the work of the Benefits Department in ensuring errors are identified promptly and claimants receive their correct entitlement.
- Seek to minimise overpayments by timely intervention.

- Correctly use legislation, all viable sources of information and powers afforded under the Social Security Administration Act 1992 to conduct thorough and professional investigations.

2.2 Investigation Results for 2010/11

Number of cases referred for investigation (See Appendix I for sources of referrals)	672 (614)
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Number of cases subject to investigation and closed	523 (522)
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Number of cases Cautioned for benefit offences	29 (13)
Number of cases where Administrative Penalties accepted	17 (29)
Number of cases prosecuted with guilty outcomes (See Appendix II for details of Prosecutions)	15 (15)

2.3 Overpayments identified by the Investigation Team in 2010/11

Value of Housing Benefit overpayments	£440,189.81 (£403,383.14)
Value of Council Tax Benefit overpayments	£100,337.26 (£ 96,324.70)
Value of DWP Benefit overpayments	<u>£241,191.67 (£142,805.67)</u>
Total	<u>£781,718.74 (£642,513.51)</u>

Note (Figures in brackets relate to year 2009/10)

2.4 Comparison between the two years results show: -

- Increased no. of referrals (+58)
- Static no. of cases investigated (+1)
- Increased no. of Local Authority Cautions (16)
- Reduction in no. of Adpens (-12)
- Static no. of successful prosecutions
- Significant increase in overpayments (+ £139,205.23 or 18%)

2.5 Reduction in resources – The results are particularly notable given the reduction in staffing levels during year 2010/11: -

- 12mth maternity leave wef March 2010. Officer has now returned but on reduced hrs i.e. 18.5pw.
- Compulsory reduction in hours for another IO from 37hrs to 22.5hrs pw wef January 2011.
- Investigation Managers continued absence due to shared service with Medway.

2.6	The team now consists of: -		
	Janice Watts	P/T Manager	Ext 7274
	Filmer Wellard	Supervisor	Ext 7489
	Darrell Allen	Investigation Officer (IO)	Ext 7138
	Paul Tobin	P/T IO	Ext 7284
	Jenny Gibbs	P/T IO	Ext 7813
	Jan Burr	Investigation Ass.	Ext 7494
	Jan Wade	Assessment Officer	Ext 7158

3 Proposal

3.1 Working in partnership with Medway Council – In April 2009 SBC Investigation Manager, Janice Watts, started to work across the two authorities Investigation Teams. There has been some variation in the number of hours allotted to each Council to allow for peaks in work etc. This arrangement continues work well & provides an annual income to SBC of approximately £30K.

3.2 One Customer One Team (OCOT) – This streamlined joint working initiative between Gravesham / Swale Councils and the Department for Work & Pensions Fraud Investigation Service (FIS) went live on 1st July 2010. SBC & FIS officers now investigate the totality of the fraud. Joint policies have been developed, adopting good practices from each of the partner agencies. This presents a more unified approach to tackling Benefit Fraud and is expected to deliver significant savings e.g. in use of DWP Solicitors & transcription services.

3.3 Executive decision for SBC Benefits Service not to join MKIP – This decision was made on 27/09/10.

3.4 A “Single Fraud Investigation Service” – Current proposals for a major overhaul of the Benefits system in the form of Universal Credit prompted proposals for a single fraud investigation service. This will draw together the work currently being done by Local Authorities, DWP & HMRC in combating fraud. At present the expected start date is April 2013. The employing body is likely to be the DWP but at present there is very little confirmed detail, leaving a number of questions unanswered.

4 Alternative Options

4.1 It remains unknown if / how many LA investigators will be absorbed into the new Single Fraud Investigation Service. It is therefore extremely difficult to make provisions & long term plans – particularly in relation to redundancy &/or redeployment. It should be noted that Universal Credit will be phased in over a period of 4 years & the new Council Tax Rebate will remain the responsibility of the LA. It is possible therefore that SBC may need to retain a “scaled down” Investigation team or choose to diversify utilising the knowledge & experience across the Audit function.

5 Consultation Undertaken or Proposed

- 5.1 There was no direct consultation with Local Authority Organisations before the announcement of the Single Fraud Investigation Service; however there is a currently a National Project Board that includes one Local Authority representative. We continue to monitor progress and will report to members immediately more information is known.

6 Implications

- 6.1 None identified at this stage.

7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report
- Appendix I: Sources of Referrals
 - Appendix II: Prosecutions – Including details of overpayments and sentences imposed.

8 Background Papers

- 8.1 Welfare Reform 2011 – DWP “Assessment of Impacts”.
- 8.2 Single Fraud Investigation Service – DWP Impact Assessment.
- 8.3 Fraud Penalties and Sanctions – DWP Impact Assessment.