



Scrutiny Committee – 23 September 2013

Countering Benefit Fraud

Purpose of report

Report of the work of the Counter Fraud Section for the period to 30 June 2013.

Attachment(s)

None

1.0 Background

- 1.1 The purpose of this report is to acquaint Members with the current activities and progress made in countering benefit fraud and the recovery of over claimed benefits.
- 1.2 The report is in line with Government guidance on best practice and is designed to raise Members' awareness and create corporate ownership of the fight against fraud.

2.0 Recovery of Overclaimed Benefits

- 2.1 We seek to recover benefit which has been overclaimed due to claimant error or fraud using our firm but fair policy. The current economic climate continues to affect our ability to recover these debts. The tables below identify both our current collections and the number of actions taken during the quarter.

Overclaimed Benefit	2013/14	2012/13	2011/12
	% collected	% collected	% collected
As at 30 Jun 2013	23.88	25.06	23.97

The Government recommends that 70% of the overclaimed Housing Benefit should be recovered within three years of the debt being raised; we have currently recovered 84.09%. Of the overall debt raised from 2000, 86.30% has been recovered.

We continue to see an increase in the number of actions taken.

Action taken	2013/14	2012/13	2011/12
Accounts raised	515	582	590
Reminders issued	283	146	191
7 day letters sent	106	45	56
Solicitor's letters	841	460	296
County Court Summonses	1	6	2

The number of reminders sent for 2013/14 is high compared to previous years. This is due to our customers leaving their account for as long as possible.

The number of solicitor letters sent is also high as the overpayment section have been chasing up old debts.

- 2.2 The balance outstanding at 30 June 2013 was £1,080,815

By financial year	Balance Outstanding
2013/14	£184,577
2012/13	£390,216
2011/12	£ 86,573
2010/11	£108,658
2009/10	£ 79,837
2008/09	£59,973
2007/08	£24,962
2006/07	£28,482
2005/06	£34,930
2004/05	£18,483
2003/04	£ 2,767
2002/03	£ 3,690
2001/02	£ 9,654
2000/01	£13,736
Previous 2000	£34,277

2.3 We continue to monitor old debts; where all recovery processes have been exhausted the debt will be written off.

Written Off	2013/14	2012/13	2011/12
As at 30 June	£1,345	£13,958	£20,188

3.0 Sanctions

3.1 A major part of our work is to investigate fraudulent claims. Having identified an incorrect claim, we must investigate to see if there is evidence that the claimant is seeking to defraud us. If we establish 'intent' to defraud, we will impose the appropriate sanction. Sanctions can be prosecutions, administrative penalties or cautions.

Cautions and administrative penalties are offered for smaller benefit frauds, with criminal prosecution pursued in more serious cases.

3.2 I am pleased to report that during the period, a number of our cases have been brought to a satisfactory conclusion.

Counter Fraud Activity	2013/14	2012/13	2011/12
Referrals from Housing Benefit Matching Service	44	181	93
Other Referrals received	155	144	110
Investigative visits made	167	145	158
Interviews Under Caution	23	24	31
Surveillance	0	0	1
Cases completed following investigation (including cases raised in the previous year)	155	191	140

The Department for Works and Pensions are experiencing technical problems; therefore, the number of Housing Benefit Matches received has been drastically reduced.

3.3 Our activities send a clear message to all who attempt to defraud us.

Sanctions	2013/14	2012/13	2011/12
Prosecutions (proved)	5	8	7
Prosecutions (pending)	13	6	N/A
Cautions administered	3	7	3
Cautions (pending)	1	0	N/A
Administrative penalties imposed	10	10	6
Administrative penalties (pending)	1	3	N/A

Where we impose an administrative penalty as a sanction against a fraudulent claim we generate income for the authority.

Administrative Penalties imposed	
Debts raised	£31,037
Income generated	£18,194

4.0 Single Fraud Investigation Service (SFIS)

4.1 National roll out of a Single Fraud Investigation Service (SFIS) will take place during 2014/15 following full evaluation of the pilots and pathfinders. All four pilots have now gone live. They are Corby Borough Council, London Borough of Hillingdon, Glasgow City Council and Wrexham Borough Council.

4.2 The Department for Work and Pensions is still consulting with Local Authorities regarding the implementation of SFIS. At present there is a lack of detail regarding the design, development and delivery for the new scheme and we are waiting for further communication from The Department for Work and Pensions.

5.0 Publicity

5.1 We continue to publicise our counter fraud work and encourage the public to help beat benefit fraud.

5.2 Newspaper publicity continues to generate fraud referrals. Our fraud hotline (01832 742017) received 13 calls up to 30 June 2013 of which 6 led to investigations.

6.0 Equality and Diversity Implications

6.1 There are no equality and diversity implications arising from this report.

7.0 Legal Implications

7.1 There are no legal implications arising from this report.

8.0 Risk Management

8.1 There are no significant risks arising from the information provided in this report.

9.0 Financial Implications

9.1 There are no financial implications at this stage.

10.0 Recommendations

10.1 It is recommended that this report be received and noted.

Legal	Power Social Security Fraud Act 1997
	: Other None considerations:
Background Papers: None	
Person Originating Report:	Jacqui Pell Senior Benefit Officer tel 01832 742012 jpell@east-northamptonshire.gov.uk
Date: 27 August 2013	
CFO	MO
	CX