



East Northamptonshire Council

Audit and Risk Management Committee - 23 September 2009 Countering Benefit Fraud - Quarterly Report

Summary

Report of the work of the Counter Fraud Section for the period to 30 June 2009.

Attachment(s)

None

1.0 Introduction

- 1.1 The purpose of this report is to acquaint Members with the current activities and progress made in countering benefit fraud.
- 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 fair but firm policy. The tables below identify both our current collections and the number of actions taken during the quarter.

Overclaimed Benefit	2009-10	2008-09	2007-08
	% collected	% collected	% collected
As at 30 June 2009	33.01	51.54	71.50
	2008-09	2007-08	2006-07
As at 30 June 2008	39.45	58.62	73.24

The current economic climate continues to affect our ability to recover overclaimed benefit. We have had seen an increase in our recovery activities in order to generate payments.

Action taken	2009-10	2008-09	2007-08
Accounts raised	311	299	294
Reminders issued	132	87	130
7 day letters sent	74	59	160
Solicitor's letters	359	85	78
County Court Summonses	0	0	10

- 2.2 The balance outstanding at 30 June 2009 was £575,402.
- 2.3 We continue to monitor old debts; where all recovery processes have been exhausted the debt will be written off.

Written Off	2009-10	2008-09	2007-08
As at 30 June	0.00	£2967.53	£6042.77

2.4 For the period 2000 to 30 June 2009 the total debit raised amounts to £2,510,729 of this 2.93% has had to be written off.

3.0 Financial incentives

3.1 Benefits, overpaid as a result of claimant error or attempted fraud, are recoverable. The government only reimburses the Council 40% of the benefit overclaimed. We always seek to recover the full benefit overpayment from the claimant. If we recover in excess of 60% of the overpayment, we generate income towards the costs involved in countering benefit fraud. The table below shows how much income we have generated by recovering overpayments.

Income Generated	
Total for this financial year	= £ 40,111
Grand Total (last 6 years)	= £467,666

3.2 Finally, where we impose an administrative penalty as a sanction against a fraudulent claim (see item 4), we generate further income for the authority.

Administrative Penalties imposed	5
Debts raised	£9,496
Income generated	£5,006

4.0 Sanctions

4.1 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.

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

Counter Fraud Activity	2009-10	2008-09	2007-08
Referrals (a suspected fraud made)	154	102	77
Referrals not to be pursued	13	19	10
Closed at risk assessment stage	27	8	4
Investigative visits made	156	120	177
Interviews under caution	33	15	19
Surveillance	1	0	0
Cases completed following investigation (including cases raised in the previous year)	167	88	236

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

Sanctions	2009-10	2008-09	2007-08
Prosecutions (proved)	0	0	0
Prosecutions (pending)	4	3	2
Cautions administered	6	2	1
Cautions (pending)	4	5	2
Administrative penalties imposed	0	0	4
Administrative penalties (pending)	1	1	3

4.4 This year, we are seeing an increase in the number of suspected frauds being detected; this may be due to the current economic climate.

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 24 calls up to 30 June 2009 of which 5 led to investigations.

6.0 Recommendation

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

Implications:	
Corporate Outcomes or Other Policy/Priority/Strategy	
Good Quality of Life	<input checked="" type="checkbox"/> Good Reputation <input checked="" type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/> High Quality Service Delivery <input checked="" type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/> Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/> Knowledge of our Customers and Communities <input checked="" type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours	<input checked="" type="checkbox"/>
Other:	
Decision(s) would be outside the budget or policy framework and require full Council approval <input type="checkbox"/>	
Financial	There are no financial implications at this stage <input checked="" type="checkbox"/>
	There will be financial implications – see paragraph <input type="checkbox"/>
	There is provision within existing budget <input type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date <input type="checkbox"/>
	Decisions may have potential for income generation <input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks <input type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference – Benefits 22 & 24 inherent risk score - Primary residual risk score - Contingency <input checked="" type="checkbox"/>
Staff	There are no additional staffing implications <input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph <input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>
Legal	Power: Social Security Fraud Act 1997
	Other considerations: None
Background Papers: None	
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Date: 2 September 2009	
CFO	MO
	CX

(Committee Report Normal Rev. 19)