

**REVIEW OF HOUSING BENEFIT FRAUD INVESTIGATION ACTIVITY &  
THE COUNCIL'S WHISTLEBLOWING POLICY**

**(Report by the Head of Customer Services and Audit & Risk Manager)**

**1. INTRODUCTION**

- 1.1 The December 2008 Panel meeting requested that activities in respect of Housing Benefit fraud and the annual review of the whistleblowing policy and procedure be considered together.

This report provides

- a summary of the activity of the Benefits Fraud Investigation Team for 2008/09; and
- details of the annual review of the whistleblowing policy and guidance and summarises the concerns received.

**BENEFIT FRAUD**

**2. BACKGROUND**

- 2.1 The Council currently pays housing and council tax benefit to over 9,500 residents in the district. In 2008/2009 Housing and/or Council Tax Benefit totalling £36m was paid.
- 2.2 The DWP estimates of the loss<sup>1</sup> due to fraud and error amounts to 5.5% of the national Housing Benefit spend. Loss due to fraud amounts to an estimated 1.0% of overall national benefit expenditure. Extrapolated for the Council, this indicates a potential annual loss through fraud of £360k and a further £1.98m in error.
- 2.3 The Housing Benefit Fraud Team consists of 6 staff. All are accredited counter fraud specialists and undergo regular and frequent refresher training in advanced criminal investigations and specialist anti-fraud techniques.
- 2.4 The Fraud Team undertakes investigation of allegedly fraudulent applications for housing and council tax benefit. This work complies with various legislative requirements such as PACE, CPIA, RIPA, CJA, SSAA and the Fraud Act 2006<sup>2</sup>. In addition the Team also conduct investigations into fraudulent housing applications, council tax discounts and exemptions made by local taxation customers.
- 2.5 The Team undertake over 300 taped interviews with persons suspected of fraud each year. They conduct there own prosecutions

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<sup>1</sup> See DWP reports- 'Action plan for tackling fraud and error in Housing Benefit and Council Tax Benefit. 2008' and Reducing 'Fraud in the Benefit System 2007'.

<sup>2</sup> Police and Criminal Evidence Acts, Criminal Procedures and Investigations Acts, Regulation of Investigatory Powers Acts, Criminal Justice Acts, Social Security Administration Acts

only instructing external solicitors and barristers to act in the event of trials or more complex cases.

- 2.6 The Team acts as the Council's Single Point of Contact for obtaining information from communication providers in according with The Regulatory Investigatory Powers Act 2000.
- 2.7 Revenue raised by the Team through government subsidy, fines imposed, costs awards and compensation orders currently makes the Team entirely cost neutral to the authority. In 2008/2009 the council realised a small surplus from its activities.
- 2.8 The Council subscribe to two Data Matching schemes. A monthly match is conducted with the DWP (HBMS) using their own and HMRC records and a bi-annual exercise is undertaken through the Audit Commissions 'National Fraud Initiative'.
- 2.9 The team have also started to use another data matching service - WestMAP - which allows the authority to use data from other service areas to identify potential fraud and error affecting benefits as well as other Council services.
- 2.10 The Team have recently been short-listed as a finalist in the Institute of Revenues Rating and Valuation (IRRV) annual Performance Awards in the 'Excellence in Anti-Fraud' category. To be selected for this award the Council has had to demonstrate that they have excelled in the area of anti-fraud and provide evidence of high levels of performance that have secured a measureable impact on fraud prevention and detection in the area of Benefits and/or Revenues. The results will be announced in October.

### 3. **ACTIVITY AND COMPARISON PERFORMANCE 2008- 2009**

#### **Reported frauds by year**

Year	Referrals	Cases accepted for investigation
2006/2007	909	370
2007/2008	693	353
2008/2009	744	440

#### **Outcomes of investigations**

Year	Cases investigated	Cases Proved	% Success	Value of overpayments
2006/2007	412	279	67%	£470,000
2007/2008	408	275	67%	£550,000
2008/2009	354	242	69%	£629,000

*The further overpayments prevented in each year by investigations exceed the level of benefits overpaid in each- see Annual Reports*

## Sanction activity

Year	Cases selected for sanction	Cautions	Administrative penalties%	Prosecutions
2006/2007	109	15	60	34
2007/2008	125	14	61	50
2008/2009	115	16	50	49

- 3.1 Polices are in place to conduct sanctions against those people found to have committed offences which involve fraud, deception and theft. Every case is treated on its own merits and punitive action only considered where it would be in the public interest. Many incidences of fraud do not involve prosecution. However, where there has been a loss to the Council recovery is always pursued.

## WHISTLEBLOWING

### 4. ANNUAL REVIEW

- 4.1 The whistleblowing policy and guidance are reviewed annually to ensure they continue to be fit for purpose.
- 4.2 The policy was introduced to allow any employee, contractor or member of the public the opportunity to report, without fear of victimisation, a serious or sensitive concern (e.g. a potential fraud or corrupt act, any danger to health and safety or the mistreatment or abuse of any customers, particularly children).
- 4.3 This year's review of the policy and guidance has been completed and no changes are considered necessary to either document.
- 4.4 An equality impact assessment was completed on the whistleblowing policy earlier in the year. One action – to improve access to the whistleblowing forms on the Council's website – was agreed and has been introduced.

### 5. PUBLICITY AND MATTERS RAISED

- 5.1 Employees and customers have a number of ways to raise whistleblowing concerns. These include an internet form, a specific email address and dedicated 24 hour telephone. Posters are also distributed both inside and outside the Council.
- 5.2 One action arising from the anti-fraud and corruption framework that was agreed by the Panel at its last meeting was the reintroduction of the benefit fraud hot line and whistleblowing phone number into District Wide. With the introduction of the Call Centre it is considered inappropriate to include specific numbers unless they are included in appropriate editorial pieces or paid advertisements.
- 5.3 7 concerns have been received through the various whistleblowing reporting channels.

- 2 related to housing or council tax benefit claims
- 2 were concerning planning enforcement
- 3 were referred to other organisations.

4 of the concerns were made anonymously.

5.4 All of the items reported referred to service delivery issues. None have questioned the honesty or integrity of Council staff. All the concerns have been reported to the relevant manager.

## **6. RECOMMENDATION**

- 6.1 It is recommended that the Panel
- note the work undertaken in respect of benefit fraud
  - commend the Benefits Fraud Team on their work and approach to countering fraud which has been nationally recognised by their professional association; and
  - note that the annual review of the whistleblowing policy and procedure has been undertaken and that no changes are required to the current policy or guidance.

## **BACKGROUND INFORMATION**

The Social Security Administration Act 1992, as amended.

The Fraud Act 2006

Police and Criminal Evidence Act 1984

Criminal Procedures and Investigations Act 1996

Local Government Acts 1972, as amended

Local Government Finance Act 1992, as amended

Housing Act 1996

HDC : Anti-Fraud and Corruption Strategy

Whistleblowing Policy & Procedure

Whistleblowing allegations received

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