

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Review of Fraud Investigation Activity
Meeting/Date: Corporate Governance Committee - 8 June 2016
Executive Portfolio: Executive Councillor for Operational Resources
Report by: Benefits Manager
Ward(s) affected: All

Executive Summary:

This report provides an overview of the activity of the Corporate Fraud Team for 2015/16 in line with the requirement set out in the Council's Anti-Fraud and Corruption Strategy.

During the year, the team:

- Received 594 allegations of fraud
- Investigated 332 cases and identified fraud valued at £679,258
- Recovered 11 social housing properties
- Carried out 27 prosecutions

In May 2015, responsibility for the investigation of Housing Benefit fraud transferred to the Department for Work and Pensions (DWP). This led to a reduction in the size of the team and a change in focus of the investigations carried out.

However despite this, the team has remained successful in the prevention and detection of fraud against Council services.

Recommendation(s):

It is recommended that the Committee notes the contents of this report which details the work that has been undertaken by the Corporate Fraud Team during 2015/16.

1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's Corporate Fraud Team in 2015/16 including the number of investigations undertaken, types of investigation and the value of the fraud identified.

2. BACKGROUND

- 2.1 The Corporate Fraud Team plays a key role in ensuring that the Council meets its requirements under the Anti-Fraud and Corruption Strategy by providing a comprehensive fraud service across the whole of the Council.
- 2.2 The Team's main emphasis has historically been Housing Benefit fraud. However, in May 2015 this area of work transferred to DWP. Three Investigators also transferred to DWP leaving a smaller team at HDC comprising a Team Leader, Investigator and an Intelligence Officer.
- 2.3 With a reduced team, work priorities had to be reviewed to ensure that investigations into areas of greatest risk could still be covered. The Team was also heavily involved in completing work on residual Housing Benefit fraud prosecution cases still outstanding at May 2015 and the Cambridgeshire Anti-Fraud Network. In late 2014, HDC was successful in bidding for funding of £335,000 from the Department of Communities and Local Government (DCLG) to establish the Cambridgeshire Anti-Fraud Network (CAFN) made up of local authorities and four housing associations.

3. ANALYSIS/WORK UNDERTAKEN

- 3.1 Despite the reduction in the size of the Team, the outturn figures compare favourably with the previous year:

	2014/15	2015/16
Allegations of fraud	1028	594
Cases investigated	345	332
Cases where fraud was found	152 (44%)	135 (41%)
Social housing recovered	7	11
Prosecutions	29	27
Penalties/fines	28	24

The value of the fraud established for HDC administered services is broken down as follows:

Council Tax Benefit/Support	£ 75,231
Council Tax Discounts	£ 28,747
Housing Benefit*	£ 401,243
Value of fraud in DWP administered services*	£174,037
Value of Council Tax fines	£ 3,710
Court Costs awarded	£ 2,960
Value of social housing recovered**	£198,000

*During the investigation of Council Tax Support and Council Tax Discount cases, the team regularly find discrepancies in Housing Benefit and DWP

benefits, details of which are passed on to the DWP to deal with. As this fraud would unlikely have been identified without HDC input, the value of this fraud is included in the figures above.

**The industry standard of the value of recovering a social housing property is £18k per property per year.

3.2 The sentences passed down for the prosecution cases included an 8 month custodial sentence for a customer who rented a property from a local housing association on a shared ownership basis. He had failed to disclose changes to income including income from sub-letting, pensions and earnings. The total of the fraud established was in excess of £31k.

3.3 The Team regularly issue press releases in respect of successful prosecutions in order to highlight the consequences of committing fraud against the Council.

4. KEY IMPACTS / RISKS

4.1 The Council remains at risk of fraudulent activity against its services and so the presence and work of the Corporate Fraud Team helps to mitigate this risk.

5. WHAT ACTIONS WILL BE TAKEN

5.1 The Team will continue to be proactive in identifying and investigating allegations of fraud and corruption against the Council. A key aim for 2016/17 is to carry out joint working with local housing associations to ensure that social housing is allocated to those with a genuine need due to the increasing pressure on this limited resource.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

6.1 Strategic priority: Becoming a more efficient and effective Council.

7. RESOURCE IMPLICATIONS

7.1 Fraud Team costs for 2015/16 were £128,324.

8. REASONS FOR THE RECOMMENDED DECISIONS

8.1 The Anti-Fraud and Corruption Strategy sets out a requirement for an Annual Report to be submitted to the Corporate Governance Committee on the work of the Corporate Fraud Team during the previous financial year.

9. LIST OF APPENDICES INCLUDED

9.1 None.

CONTACT OFFICER

Amanda Burns, Benefits Manager
01480 388122
Email: amanda.burns@huntingdonshire.gov.uk