

**HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Review of Fraud Investigation Activity  
**Meeting/Date:** Corporate Governance Committee – 24 May 2017  
**Executive Portfolio:** Executive Councillor for Strategic Resources  
**Report by:** Revenues & Benefits Manager  
**Ward(s) affected:** All

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**Executive Summary:**

This report provides an overview of the activity of the Corporate Fraud Team (CFT) for 2016/17 in line with the requirement set out in the Council's Anti-Fraud and Corruption Strategy.

During the year, the team:

- Received 685 allegations of fraud
- Investigated 366 cases and identified fraud valued at £415,106
- Recovered 8 social housing properties
- Carried out 8 prosecutions
- Administered 15 Council Tax Penalties giving an income of £1,190
- Administered 11 Administrative Penalties giving an income of £7,756
- Checked 80 homeless applications between 1/12/16 and 31/3/17

**Recommendation:**

The Corporate Governance Committee is invited to comment on the contents of this report which details the work that has been undertaken by the Corporate Fraud Team during 2016/17.

## 1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's Corporate Fraud Team in 2016/17 including the number of investigations undertaken, types of investigation and the value of the fraud identified.

## 2. BACKGROUND

- 2.1 The CFT 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 consists of a manager, an investigation officer and an intelligence and analyst officer. (During 2016/17, an additional investigation officer post was funded through a Department for Communities and Local Government grant.) Priorities are determined by the available resource and are targeted at services where the greatest risk of fraud has been identified.
- 2.3 The team's main emphasis has been Council Tax Support (CTS), Single Person Discount (SPD) fraud and Tenancy Fraud.

## 3. ANALYSIS/WORK UNDERTAKEN

- 3.1 The outturn figures compare favourably with the previous year:

	2015/16	2016/17
Allegations of fraud	594	685
Cases investigated	332	366
Cases where fraud was found	135 (41%)	156 (42.5%)
Social housing recovered	11	8
Prosecutions	27	8
Penalties/fines	24	26

The value of the fraud established is broken down as follows:

Council Tax Support (CTS)	£ 49,484
Council Tax Discounts	£ 31,904
Value of Council Tax fines	£ 1,190
Value of Administrative Penalties	£ 7,756
Court Costs awarded	£ 1,955
Identified 2 un-banded properties for Council Tax	£ 2,193
Housing Benefit*	£ 176,624
Value of social housing recovered**	£ 144,000

\*During the investigation of Council Tax Support and Council Tax Discount cases, the team regularly find discrepancies in Housing Benefit, details of which are passed on to the Department for Work and Pensions (DWP) to deal with. As this fraud would unlikely to 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.

There was a reduction in the number of prosecutions during 2016/17. This is because responsibility for investigating Housing Benefit fraud transferred to the DWP in May 2015. The value of CTS and SPD cases tends to be comparatively low and it is not always appropriate or in the public interest to prosecute when alternative sanctions are deemed more appropriate; however each case is considered on an individual basis.

- 3.2 The team regularly issues press releases in respect of successful prosecutions in order to highlight the consequences of committing fraud against the Council.
- 3.3 Since December 2016, the CFT has worked closely with the Housing Needs Team by checking all homeless applications. Of the 80 applications checked, around half of them had inconsistencies in the information provided, e.g. failing to disclose addresses or ownership of properties. Not all inconsistencies will have a detrimental effect on someone's application for housing but one application check highlighted that the applicant was a joint owner of another property which they had failed to disclose. When the applicant was confronted with this information they withdrew their application to be housed. Another check established the applicant had been the previous tenant of a Housing Association property but had left with large arrears. This information had not been disclosed and as a consequence they had their banding reduced.
- 3.4 The Team also acts as the Single Point of Contact (SPOC) with regard to providing the DWP with information regarding Housing Benefit claims. In the last year this included dealing with 700 requests for information in relation to potentially fraudulent claims.

#### **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 CFT helps to mitigate this risk. A Workplan has been developed for 2017/18 setting out the main priorities for the team; but they are open to look at new areas of risk that may occur across the Council and work with any service area as needed.

#### **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 2017/18 is to continue joint working relationships 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 and the work with the Housing Needs Team in checking homeless and housing register applications. The team is also considering new areas of fraud and will be looking at Blue Badge fraud in the district. With the HR team returning in house, the CFT will be looking to provide an additional resource to HR in investigating and assisting in staff matters. Training with ACAS and a neighbouring authority has already been arranged.
- 5.2 The Team has purchased a new piece of software which is hoped will enhance capacity to do internal data matching and may make a useful contribution to identifying the new homes bonus.

**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 2016/17 were £136,391.

**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.

**CONTACT OFFICERS**

Amanda Burns, Revenues & Benefits Manager

☎ 01480 388122

[amanda.burns@huntingdonshire.gov.uk](mailto:amanda.burns@huntingdonshire.gov.uk)

Lorraine Martin, Corporate Fraud Manager

☎ 01480 388861

[loraine.martin@huntingdonshire.gov.uk](mailto:loraine.martin@huntingdonshire.gov.uk)