

Report to: Corporate Issues Scrutiny Committee

Date: 20th August 2007

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Corporate Resources

Report No: 15

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Report Title: **Housing Benefit Investigation Team**

Non Confidential

This report does not contain information which warrants its consideration in the absence of the press or members of the public.

Purpose:

This report provides information about the remit of, and work undertaken by, the Housing Benefit Investigation Team. It also details the way in which a person can make a referral for benefit fraud and how the team can be contacted.

Recommendations:

That the contents of this report be noted.

Decision:

For information only.

Background Doc(s):

None.

1. Introduction

- 1.1 The Corporate Anti-Fraud Strategy Statement clearly sets out the Council's commitment to combating fraud and corruption wherever it may arise including the administration and delivery of Housing Benefit and Council Tax Benefit (HB/CTB). As part of this ongoing commitment the Council set up a dedicated Housing Benefit Investigation team in 1992. The team are based within the Revenues and Benefits Unit within the Corporate Resources Department.
- 1.2 The Investigation Team are committed to the prevention, detection, deterrence and investigation of Housing Benefit and Council Tax Benefit (HB&CTB) fraud.
This includes: -
- Fraud by Bolton at Home tenants.
 - Fraud by Private Tenants
 - Fraud by Owner-Occupiers
 - Fraud by Landlords
 - Housing and Council Tax Benefit frauds linked to Income Support, Job Seekers Allowance and other Department for Works and Pensions (DWP) benefits.
- 1.3 Overall operational control for fraud investigation is undertaken by the Housing Benefit Services Head of Service.
The organisational set up of the Investigation team is as follows:
- Counter Fraud, Support Services & Overpayments Manager Janet Evans
 - Investigation Team Leader Carol Walker
 - 5 Investigation Officers
 - 1 Investigation Assistant

2. Scope of Operations

- 2.1 The majority of the investigations teams work is the detection of benefit fraud. This involves the investigation of Housing Benefit / Council Tax Benefit claims where irregularities have been identified or suspected, firstly to establish whether the claim is correct and secondly whether any offence has been committed.
- 2.2 The investigators carry out all investigations in accordance with the relevant legislation and procedural guidance to a professional standard.
The legislation governing the conduct of such investigations includes:
- Housing and Council Tax Benefit Regulations.
 - Police and Criminal Evidence Act 1984. (PACE)
 - Regulation of Investigatory Powers Act 2000. (RIPA)
 - Data Protection Act 1998.
 - Human Rights Act 1997.
 - Social Security Administration Act 1992.
 - Criminal Justice Act 1988.

- Criminal Procedures and Investigations Act 1996 (CPIA)
- Social Security Administration (Fraud) Act 1997
- Theft Act 1968/1978
- Proceeds of Crime Act 2002
- Fraud Act 2006
- Welfare Reform Act 2007

- 2.3 Detection activity can be divided into two aspects, these being proactive and reactive investigations.
- 2.4 Reactive investigations are those, which result from an allegation of fraud provided by the public, Council employee or other third party.
- 2.5 Proactive investigations are those where suspicion has arisen as the result of activity which seeks to identify fraudulent claims, by utilising data matching and risk analysis techniques. Such techniques are an integral part of the Investigation Teams activity and play an important role in reducing losses through fraud and abuse.
- 2.6 The team are involved with the following high profile data matching exercises:-
- National Fraud Initiative
- This matches Housing Benefit records to various databases which include Pension Providers, Payroll records etc. The last match took place October 2006.
- Housing Benefit Matching Service
- This takes place every month and matches Housing Benefit records to Department for Works and Pensions databases e.g. Income Support and Job Seeker's Allowance.
- 2.7 There are many sources of information that lead to fraud investigations. In addition, there are many different types of fraud investigated. Investigations are prioritised based on the source, type, resource available, amount of loss to the Authority and previous experience of outcomes. Types of fraud investigated include undeclared Co-habitation, undeclared income and capital, contrived tenancies, undeclared non-dependants, vacated still in payment, working and claiming.
- 2.8 As Members may be aware, there is an annual Housing Benefits Comprehensive Performance Assessment (CPA) by Central Government. This is based on Benefits Performance Standards initially introduced in April 2002 by the Department for Work and Pensions.
- This covers 4 functional areas and the investigation team are currently achieving all 21 standards for security and will continue to do so during 2007/2008.

3. Outcomes of Investigations

- 3.1 Quality Investigations.
- As soon as an investigation for suspected fraud commences the investigation team will consider its suitability for an Interview Under Caution and whether it will lead to a sanction or prosecution. The appropriate sanction will always be applied against the offender.
- 3.2 Options available
- Local Authority Caution
- A caution can only be considered where there is sufficient evidence to justify instituting criminal proceedings and the person has admitted the offence during an interview under

caution.

- **Administrative Penalty**

An Administrative Penalty is the offer to a person to pay a financial penalty, which amounts to 30% of the overpayment as an alternative to prosecution. The 30% penalty is payable in addition to the overpayment.

Both of the above are meaningful deterrents for those at the lower end of benefit fraud where criminal proceedings are not a first option.

- **Prosecution**

The Local Authority has the right to prosecute or appear in any legal proceedings under Section 222 of the Local Government Act 1972. This is aimed at those at the higher end of benefit fraud where offering a sanction is not an option.

4. Performance targets

4.1 Achievements for 2006/2007

The following sanctions and prosecutions were achieved: -

Type of action	Target	Number achieved (5 investigators)
Administrative Penalty or Formal Caution accepted	48	93
Summons raised	24	19
Successful Prosecutions	24	26

4.2 Following the success of 2006/07 which was the teams best year ever, challenging targets have been set for 2007/08. Due to recent departures, three investigators are new / still under training. This is reflected in the targets below.

The team has the following targets for 2007/08: -

Type of action	Number for the team for the year
Administrative Penalty or Formal Caution accepted	65
Summons raised	20
Successful Prosecutions	20

4.3 The team are doing well during 2007/08 and as at the 20th July 2007 they are on target to meet the annual targets set. They have achieved 43 sanctions/prosecutions and the target to date is 24.

The teams achievements so far for 2007/08 is as follows: -

Type of action	Target to date	Achieved to date
Administrative Penalty or Formal Caution accepted	18	31
Successful Prosecutions	6	12
Summons raised	6	7

5. Closer Working

- 5.1 The Investigation Team carry out investigations of benefit by working closely with other departments within the council or other agencies such as the Department for Work and Pensions and Greater Manchester Police. The team recognises that benefit fraud does not exist in isolation and that fraudsters do not necessarily limit their activity to one area. The Investigation team will continue to work with the Police and other government agencies on cases where it is believed that joint working will aid a positive outcome.
- 5.2 The Investigation Team work closely with other Local Authorities through active involvement of the Greater Manchester Fraud Initiative Group , which is the platform from which to maintain and improve its levels of co-operation with the DWP and neighbouring local authorities. Trafford have recently set up a Financial Investigation Unit [FIU], who provide the services of a financial investigator for use on cases which could be linked to the Proceeds of Crime Act. The Investigation Team are using FIU's services. There is no initial financial outlay and FIU's fees are funded by the compensation order awarded on cases successfully prosecuted.

6. Referring cases to the Investigation Team

- 6.1 The Corporate Anti Fraud Strategy Statement makes it clear that all council officers have a duty to refer any case or information to the Investigation team where they suspect fraudulent activity. Detailed guidance regarding the types of fraud that people perpetrate and things to look out for is provided in fraud awareness sessions.
- 6.2 To make a referral a standard referral form has been prepared and made available to all Benefits Administration Staff, Rent Officer Staff and Bolton at Home staff. However, the team are happy to accept a referral in any format – telephone call, letter, e-mail, fax, or even in person.
- 6.3 **The address for all written referrals and correspondence is as follows:**

The Old Police Station
Howell Croft North,
Bolton BL1 1QZ
- 6.4 The Investigation team also has direct lines, to allow any member of staff or the general public to have direct access to a fraud specialist. The lines are fully staffed during normal office hours. The telephone numbers are 01204 331924 / 331549.
- 6.5 Alternatively, people can contact the National benefit hotline on 0800 328 6340 which is a confidential and free service operated by the Department for Work and Pensions. A textphone service on 0800 328 6340 is also available. All information will be passed onto the Council's specially trained investigators.
- 6.6 The local authority WEB site provides guidance on how to report suspected fraud. The site also contains a referral form, which includes help on the type of information needed to obtain a good quality referral.

