

HOUSING BENEFIT/COUNCIL TAX BENEFIT FRAUD POLICY

THREE RIVERS DISTRICT COUNCIL

WATFORD BOROUGH COUNCIL

1 Statement of Intention

- 1.1 The two Councils are committed to the delivery of Housing Benefit and Council Tax Benefit to its customers. Benefits are for those who are most vulnerable in society and should be assessed and paid within guidelines set by Central Government.
- 1.2 The Councils are committed to ensuring that benefits are delivered to those who have a true entitlement to them.
- 1.3 The Councils are committed to providing a modern and efficient Anti Fraud Service.
- 1.4 A strong counter fraud culture is fundamental to reducing the harm caused by fraud and in ensuring public confidence and reputation is not undermined.
- 1.5 The Councils have a clear commitment towards a zero tolerance towards fraud.
- 1.6 We will ensure that we have transparent targets with regular reporting on our performance. We must continue to employ qualified investigators.
- 1.7 Tackling fraud effectively needs a collaborative approach. We will develop working with partners to maximise our counter fraud activities and resources on those areas of greatest risk or social harm.
- 1.8 We will publicise these policies and ensure they are communicated to all staff.
- 1.9 We will seek to be fair and consistent in our handling of all cases and will act in accordance with the law, guidelines and the Councils' policies.

2 Introduction

- 2.1 The Government is committed to building a strong, healthy and prosperous society. It is therefore important that the administration of Housing and Council Tax Benefit is secure.
- 2.2 The Department for Work and Pensions (DWP) 2009-2012 sets out one of their strategic objectives as being to pay our customers the right benefit at the right time.
- 2.3 The Councils are committed to ensuring that benefits are delivered to those who have a true entitlement to them. This policy contributes towards two of Three Rivers' strategic objectives being Towards Excellence and Sustainable Communities. In respect to Watford this policy contributes towards their strategic objective of being An Efficient, Effective, Value for Money Council.

- 2.4 Unfortunately, economic stress can increase the incentive to commit fraud. Some people will attempt to obtain Benefits to which they are not entitled. We will ensure that our procedures and processes are sufficiently robust to reduce the risk.
- 2.1 The Councils recognise that as well as causing financial loss, fraud is also detrimental to the provision of services, and damaging to the reputation of, and confidence in, the Councils.
- 2.2 In 2008/09, more than £18.5 billion housing and council tax benefit was paid by councils in England. Latest figures indicate by the Audit Commission (AC) that more than £700 million was overpaid as a result of fraud and error.

3 Processes

- 3.1 To ensure that all counter fraud activities are properly managed, it is important to focus resources on fraud prevention, to investigate and rectify administrative weaknesses, to provide assurances of the integrity of the benefit system and the quality of the investigations.
- 3.2 Effective anti fraud activities reduce the levels of fraud and error.
- 3.3 The Councils believe that it is important to discourage and prevent fraud from taking place in the first instance. The Councils will implement vigorous procedures for the verification of claims. The minimum standard for verification will be the guidelines previously known as the Verification Framework. However, although claims for benefit will be subject to close scrutiny, the Councils are committed to delivering benefits within the official government timescales. The Councils will give assistance to claimants of benefits in applying for benefit and to maximise take-up
- 3.4 The Councils' application forms for Housing Benefit/Council Tax Benefit/Local Housing Allowance will include questions and instructions in plain language giving the customer clear directions on what is required. The forms will carry warnings against providing false information and will explain the risks that claimants will run if they choose to give incorrect information or fail to give information to the Councils about their personal circumstances. The forms will contain all the information the claimant requires to understand their rights.
- 3.1 The Councils will put in place systems which will allow the claimant to request assistance to complete their application form, in the office or their home, and to educate customers of the importance and need to inform the Councils of changes to their circumstances.
- 3.2 The Councils are committed to controls designed to prevent fraud being perpetrated by its own staff. Staff employed in Revenues and Benefits and Fraud Investigations will be vetted at the time of application. If misrepresentation is found to have occurred on the application form or at interview, disciplinary procedures will be considered, including dismissal
- 3.3 The Councils will comply with the requirements of the Department for Work and Pensions Housing Benefit Matching Service which compares claims for Housing Benefit and Council Tax Benefit against many other data sets.
- 3.4 The Councils will participate in the Audit Commission National Fraud Initiative which allows comparison of benefit data held by the Council against other data sources, e.g. Payroll.

- 3.5 The Councils will maintain and advertise a benefits free fraud hotline and an Internet "Report a Fraud" service to enable concerned residents to report suspected fraud confidentially.
- 3.6 The Councils will subscribe to the National Anti-Fraud Network (NAFN) to ensure the national partnership providing support, data and intelligence assists us in our counter fraud activities. The network obtains, collates and disseminates intelligence on fraud to all members.
- 3.7 The Councils will also maintain membership of the Local Authority Investigations Officer Group (LAIOG) for inter-authority networking and to enable Fraud Investigations Officers to keep abreast of new developments in the fraud arena. They will also join in appropriately with other local partnerships to ensure we are up to date with current fraud risks.
- 3.8 The Councils will have a zero tolerance approach to fraud.
- 3.9 The Councils will assess the management of counter fraud resources against best practice.
- 3.10 The Councils will maintain working arrangements with relevant organisations to ensure effective sharing of knowledge and data about fraud.
- 3.11 The Councils will raise awareness of fraud risks by training new staff, existing staff and members.
- 3.12 The Councils will ensure they have a robust fraud risk assessment to enable resources to be focused on areas where there is high risk of fraud.
- 3.13 The Councils will ensure that there is focus on both proactive and reactive work in the fraud risk areas that cause the greatest financial, social and reputational harm.
- 3.14 Tackling fraud effectively requires a concerted and collaborative response. When public, private and voluntary sector bodies work in partnership we benefit from sharing work programmes and specialist expertise as well as improving knowledge and information about fraud and its causes.

4 Overpayments

- 4.1 In all cases, the Councils will seek to recover overpayments. It would not be the Councils' intention to cause hardship. Accordingly, the ability to repay the overpayment will be considered in individual cases where hardship would be a proven outcome of pursuance of the debt. Factors such as the nature of the offence and the rate of recovery will be taken into account when determining the level of recovery. In some cases, failure to come to a reasonable arrangement for repayment will result in civil action through the courts.
- 4.2 Payments of benefit are often made directly to Landlords on behalf of claimants. If landlords falsify claims or assists claimants to falsify claims for benefits the Councils will consider criminal proceedings under the Social Security Administration Act 1992 or the Fraud Act 2006. Landlords who receive benefit directly are obliged to report any known changes in their tenants' circumstances. When a Landlord fails to do this, they may be paid more direct benefit than they should be paid. The Councils make Landlords aware of their duty to report known changes in circumstances. The Councils will consider

recovering any overpaid benefit either directly from ongoing payments of benefit to the Landlord (even from the payments for other tenants for whom the landlord is receiving direct benefits) or through civil action through the courts.

5 Data protection Act

- 5.1 The Councils will be correctly registered under the Data Protection Act 1998.

6 Duties and Consideration of Fraud Investigators

- 6.1 When investigating fraud, the Councils' senior fraud investigators will work within the guidelines of the Police and Criminal Evidence Act 1984, the Criminal Procedures and Investigation Act 1996, and the Regulation of Investigatory Powers Act 2000. The Investigators will adhere to the requirements of their Code of Conduct and will, at all times, apply appropriate procedures to maintain confidentiality of information.

7 Duties and Consideration of Council Employees

- 7.1 The Councils will require all Council Officers involved in the administration of benefits to report to the Benefits Manager details of any property within the area that they are renting to tenants and any claims of benefit to which they have some connection. This may be a claim for benefit where the Officer is the landlord, the claimant, a partner, a dependant or a non-dependant on the application. If a Benefits Officer has knowledge of a claim where they are a close family member, as described by Schedule 2 of the Housing Benefit and Council Tax Benefit General Regulations, the Officer must report this case to the Benefits Manager whereupon they will be prevented from access to the case in question on the Benefits computer system.

8 Duties and Considerations of Elected Members

- 8.1 The Councils will require all elected Members to report details of any property within the Councils that they are renting to tenants and any claims of benefit to which they have some connection. This may be a claim for benefit where the Member is the Landlord, the claimant, a partner, a dependant or a non-dependant on the application.

9 Sanction Process

- 9.1 Once an investigator is satisfied that a case which they are investigating is suitable for a sanction they will inform the Fraud Manager. A file must be prepared by the investigator and it should contain a summary of the relevant facts, copies of witness statements, copies of documentary exhibits, a working copy tape of interviews under caution and a transcript and any other information relevant to making a decision.
- 9.2 A sanction that may be imposed can be the offer of an Administration Penalty. An Administration Penalty is the offer of a financial penalty if the person, by act or omission, has caused benefit to be overpaid to them. The legislation governing the use of penalties is contained in Section 115a of the Social Security Administration Act 1992 inserted by the Social Security (Fraud) Act 1997. Details of an Administration Penalty are contained in the Sanction Policy.
- 9.3 Next the Councils may issue a Formal Caution. Formal Cautions act as a deterrent for persons at the lower end of benefit related offences where criminal proceedings are not the preferred option. A formal caution can only be issued where a person has admitted the offence. See Sanction Policy

9.4 Finally, the Councils may consider issuing criminal proceedings. Various factors need to be considered as contained the Sanction Policy.