

SUBJECT: REVIEW OF FRAUD SANCTION POLICY

DIRECTORATE: DIRECTORATE OF RESOURCES

REPORT AUTHOR: MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 For Executive to consider/approve revised Fraud Sanction Policy, in respect of the shared Revenues and Benefits service between City of Lincoln Council and North Kesteven District Council.

2. Executive Summary

- 2.1 On 12th September 2013, Revenues and Benefits Joint Committee approved an updated version of the shared Benefit Fraud – Sanctions and Prosecutions Policy, making references to the Council Tax Support schemes (which replaced the national Council Tax Benefit scheme from 1st April 2013). The purpose of the policy is to assist the Councils in the shared service in preventing and detecting fraud in a consistent, effective, efficient and equitable manner.
- 2.2 On 1st October 2014, responsibility for investigation of Housing Benefit fraud in respect of City of Lincoln and North Kesteven transferred to the Single Fraud Investigation Service (SFIS) under Department for Work and Pensions (DWP). However, numerous functions still remain with the local authorities – including;
- Provision of data to SFIS;
 - Consideration of Administrative Penalties;
 - Investigation of Council Tax Support fraud.
- 2.3 This report seeks Members' consideration/ approval regarding a revised Fraud Sanction Policy, to reflect work now being undertaken by SFIS and different levels of overpayment value being considered for prosecution.

3. Review of Fraud Sanction Policy

- 3.1 A final draft revised Fraud Sanction Policy is contained at Appendix 1 to this report, to make reference to work now being undertaken by SFIS rather than local authorities, and also regarding different overpayment values being considered for prosecution. The re-drafted policy also proposes 'substitute officers' to consider sanctions, so that there are not delays when an officer is absent from the office.
- 3.2 The following key amendments have been made in the document at Appendix 1:
- Paragraph 1.2: Reflects transfer of Housing Benefit fraud investigation to DWP from 1st October 2014.

- Paragraph 4.1.1: Reflects working with SFIS/DWP in terms of detection of Benefit Fraud, provision of data, facilitating anti-fraud training and publicising successes.
- Paragraph 4.2.1: Reflects working with partners to facilitate delivery of an effective fraud investigation service, provision of Single Point of Contact and secure transfer of data to/from SFIS.
- Paragraph 4.5.1: Due to transfer of Housing Benefit Fraud staff to DWP, the provision of appointing an Authorised Officer is now preceded with “If required at any time...”.
- Paragraph 5.1.1: Makes provision for substitute officers for consideration of sanctions, as required. This also makes reference to Council Tax Support –only cases and the potential to work with other local authorities on these (which is being explored under the Lincolnshire Corporate Fraud project).
- Paragraph 5.1.2: Removal of paragraph referring to ‘Caution’ as this is no longer a sanction available to SFIS.
- Paragraph 5.2.3: Removal of reference to ‘Caution’. Additional sentence regarding consideration of DWP overpayment amounts for prosecution.
- Paragraph 5.2.4: Additional sentence regarding consideration of DWP overpayment amounts for prosecution.
- Paragraph 5.3.1: Adds reference to Criminal Prosecution Service (the legal body for considering SFIS-investigated cases).
- Paragraph 5.3.2: Removal of this paragraph (as Administrative Penalties are now delivered by SFIS, and not the local authorities).
- Paragraph 5.3.2 (previously 5.3.12): Now makes reference to working with another local authority on investigative functions delivery.

3.3 The revised policy is to go through the consideration/approval process as follows:

City of Lincoln Council	North Kesteven District Council
Policy Scrutiny Committee: - 17 th December 2015	Performance and Resources Overview and Scrutiny Panel: - 18 th January 2016
Executive: - 11 th January 2016	Executive Board: - 11 th February 2016

4. Strategic Priorities

4.1 The funding Councils receive for Council Tax Support is limited by Government, so

any losses the Council incurs through fraud can result in there being less support available for those who need it, a reduction in the resources available to provide services to those who need them, or an increase in Council Tax levels.

5. Organisational Impacts

- 5.1 Finance: There are no tangible costs involved in the amendments proposed to this policy, although they will help to allow more effective and efficient use of officer time.
- 5.2 Legal Implications including Procurement Rules: There are no direct Legal or Procurement implications arising from this report.
- 5.3 Equality, Diversity & Human Rights: There are no direct implications arising from this report.

6. Risk Implications

- 6.1 (i) Options Explored: Not making the proposed amendments would mean the current sanction limits in place are not consistent with those under DWP. Not having substitute officers available for consideration of sanctions could delay progression of cases.
- (ii) Key risks associated with the preferred approach: None.

7. Recommendation

- 7.1 Executive approves the revised Fraud Sanction Policy;

Is this a key decision? ~~Yes~~/No

Do the exempt information categories apply? ~~Yes~~/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? ~~Yes~~/No

How many appendices does the report contain? Two

List of Background Papers: None

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