

**London Borough of Enfield**

**Tackling Fraud and Error.**

**Appendix G to Council Report – 30th January 2013**

## Introduction

The council currently provides a comprehensive fraud and error service which includes verifying benefit claims in accordance with the Governments verification framework, risk based interventions, and specialist fraud investigation.

The Government is proposing to create a single integrated fraud investigation service (SFIS) with statutory powers to investigate and sanction all benefit and tax credit offences which will combine relevant resources across Local Authorities, HMRC, and DWP. The service will operate from April 2013 and will investigate Universal Credit fraud as well as legacy benefit and Tax Credit offences.

The local council tax reduction schemes will come into effect on 1 April 2013, and Council Tax Benefit will cease, although claims for the period up to 31 March 2013 will continue to be accepted and past frauds will continue to be investigated for some time.

The SFIS will investigate and refer for prosecution, fraud relating to social security benefits and Tax Credits. The identification, investigation and prosecution of fraud in council tax reduction schemes will not form part of SFIS work. These schemes are part of the council tax system and the investigation and prosecution of fraud related to them will be the responsibility of LAs.

However, there will be instances where the same individual is suspected of committing fraud against a number of areas, and/or the same investigator will conduct investigations for both SFIS and the local authority. Therefore the DWP Fraud and Error programme is working with Department for Communities and Local Government and the devolved administrations to look at:

- How SFIS and the LAs Fraud team can work together;
- Whether data can be shared with whom and for what purposes;
- The extent to which work in these areas may be legitimately used to assist in the wider remit covered by LA fraud teams - for example Tenancy Fraud;
- How to manage prosecution that covers a number of offences.

The Department for Communities and Local Government's latest timetable indicates the issuing of regulations in respect of fraud by the end of January 2013 and in respect of data sharing with DWP and HMRC by the end of February 2013 and Enfield's proposals have therefore to be developed in advance of these Regulations being laid.

From April 2013 the council will be responsible for tackling fraud and error in Council Tax Support. With Council Tax Support payment in 2013/14 of around £32m the overall amount is substantial although the scope for fraudulent activity on a Council Tax account is limited to the amount of Council Tax charged for a property and is far less in amount than could be falsely claimed for Housing Benefit or for Universal Credit. Nevertheless the Council will take a robust stance on fraud and tackling error, seeking criminal prosecutions and financial penalties wherever appropriate.

The proposed approach is as follows:-

### **A) Get payment right**

Protecting the gateway to Council Tax Support – making claiming accessible but ensuring all claims are verified with the extent of verification being assessed on a risk basis with greater enquiry and checking of high risk claims. All claim verification to include data matching.

### **B) Keep payment right**

i) Controlling processing through

a) fast processing once sufficient information is available from a claimant and using automated data transfer where this is cost effective, secure and permitted (subject to Data Sharing Regulations due to be laid after the Local Scheme for 2013/14 has been set by Councils)

b) good assessment quality including using properly trained assessors.

ii) Making use of available information-

Keeping on top of changes in circumstance affecting entitlement- although much depends upon claimant reporting of change in circumstances this can be prompted by appropriate use of data matching of internal and external records and by adopting a risk based approach and applying penalties where there is clear failure to report a known change in circumstance leading to overpaid support

iii) Making thorough enquiries to check correct entitlement-

Achieved through bringing together visiting and investigation work for Council Tax Support by using an existing Revenues and Benefits visiting team with considerable local knowledge and experience both of benefits and collection issues to investigate dubious claims and to visit high risk claims.

iv) Stopping payment for dubious claims-

Promptly stopping payment if serious doubt as to accuracy of claim during the life of a claim

### **C) Penalising those making false claims-**

Applying fixed penalties (subject to forthcoming Fraud Regulations) in appropriate cases when there is a clear failure to report a known change in circumstance leading to overpaid support. Where applicable, the Council will also seek prosecution for fraud.

### **D) Working with others-**

Liaising with SFIS or the Police as appropriate concerning claim investigation including appropriate sharing of intelligence about dubious/false claims.