

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

2nd February 2017

COMPLIANCE TEAM UPDATE

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| Relevant Portfolio Holder | Councillor John Fisher, Portfolio Holder for Corporate Management |
| Portfolio Holder Consulted | √ |
| Relevant Head of Service | Amanda de Warr, Head of Customer Access and Financial Support |
| Wards Affected | All Wards |

1. SUMMARY OF PROPOSALS

This report provides an update on the work of the compliance team following the transfer of benefits fraud to the DWP Single Fraud Investigation Service in February 2016.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE, that subject to any comments, the report be noted.

3. KEY ISSUES

- 3.1 In February 2016 responsibility for benefits fraud investigations transferred to DWP.
- 3.2 Various duties remained with the team at this time such as
- Investigation of Council Tax Support claims
 - Compliance / Verification of HB claims
 - HBMS referrals
 - National Fraud Initiative (NFI) data matching
 - Police requests for information / liaison
 - Support to DWP in respect of Housing Benefit fraud cases.
- 3.3 We took this as an opportunity to develop work in relation to wider non compliance issues around Council Tax and Business Rates.

Financial Implications

- 3.4 The work of the team has resulted in increased income as follows.
- 3.5 New Homes Bonus of approximately £76.5k for 1 year, and £306k payable over 4 years.
- 3.6 £144k in incorrectly claimed Council Tax discounts which we are in the process of recovering.

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- 3.7 7 properties missing off the Council Tax data base with a minimum return of £6k if the properties were to be banded at band A.
- 3.8 £11k in overpaid Housing Benefit.
- 3.9 £14k in overpaid Council Tax Support.
- 3.10 Housing Benefit Matching Service (HBMS) work managed by the compliance team resulted in the identification of overpayments of the following:

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|----------------------|--------|
| Housing Benefit: | £92.5k |
| Council Tax Support: | £17.5k |

- 3.11 As a result of the work to date we have been able to evidence financial benefits to the other major preceptor, who receive the majority of the Council Tax collected. Officers are currently working with County colleagues to agree funding to enable enhancement of the compliance work.

Legal Implications

- 3.12 There are no specific legal implications.

Service/Operational Implications

- 3.13 Long Term Empty Properties
The work of the team has resulted in a net reduction in long term empty properties of 130. This results in a net gain of New Homes Bonus. Under the new criteria, reducing the number of long term empty properties in Redditch resulted in New Homes Bonus of approximately £76.5k for 1 year, and £306k payable over 4 years.
- 3.14 Council Tax Discounts & Exemptions
The team has identified £143,344 in incorrectly claimed Council Tax discounts and exemptions. The team are currently working with the Revenues department to implement procedures to reduce fraud and error within the discounts and exemptions.
- 3.15 Council Tax missing properties
The team identified 7 missing properties. One of these properties has been processed by the Valuation Office, and the banding of the property equates to £1,048 per annum. The remaining 6 properties are in the process of being valued and will appear in next year's figures.

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3.16 **Proactive Housing Benefit work**

As a result of proactive Housing Benefit case reviews, we have identified £11k in overpaid Housing Benefit. The overpayments are due to information not being provided at the time of a change in circumstances and the case reviews would not have been possible without the resources and expertise of the Compliance Team.

3.17 **Proactive Council Tax Support work**

As a result of proactive Council Tax Support case reviews, we have identified £14k in overpaid Council Tax Support. Again, these overpayments have occurred where changes in circumstances could not have been identified by the team without proactive work by the team.

3.18 **Business Rates**

Currently, the team are in training in order to identify missing or incorrectly rated premises.

Customer / Equalities and Diversity Implications

- 3.19 Identification of overpayments, or incorrectly claimed discounts and exemptions and the subsequent work to recover these debts can result in financial hardship, therefore consideration is given to this when agreeing repayment plans. Where additional support, such as money management advice, is provided where relevant.

4. **RISK MANAGEMENT**

The work of the team is to reduce the risk of lost income to the authority. The results to date show that this work is both necessary and rewarding.

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None

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