

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

21st September 2017

COMPLIANCE TEAM UPDATE

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 £37k in incorrectly claimed Council Tax discounts and exemptions
- 3.6 £28k in increase in Business Rates billing, with a further £500k awaiting valuation by the Valuation Office.

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- 3.7 13 properties missing off the Council Tax data base which have created 27.5k in extra Council Tax income.
- 3.8 Housing Benefit Matching Service (HBMS) work managed by the Compliance team resulted in the identification of overpayments of the following:
- | | |
|----------------------|------|
| Housing Benefit: | £16k |
| Council Tax Support: | £13k |
- 3.9 £11k in overpaid Housing Benefit and Council Tax Support identified through the National Fraud Initiative.
- 3.10 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. County colleagues have agreed and extra 10% of additional income to be awarded to this council as a result of the increase in proactive work.

Legal Implications

- 3.11 There are no specific legal implications.

Service/Operational Implications

- 3.12 Council Tax Discounts & Exemptions
The team has identified £37k 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.
- 3.13 Business Rates
The team began working on Business Rates from January 2017. We are currently working with a 3rd party supplier to identify any businesses which have not registered for business rates or have expanded in size and not declared it to the council. There is a 3 month backlog at the Valuation Office and we expect this figure to be higher in later reports, as shown by the expected £500k awaiting a decision by the Valuation Office.
- 3.14 Council Tax missing properties
The team identified 13 missing properties which have all been valued by the valuation office, amounting to £27.5k per annum. The team have introduced a procedure within the Revenues department to mitigate the risk of missing properties.
- 3.15 National Fraud Initiative

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The team has completed all 685 Housing Benefit data matches from the National Fraud Initiative. £11k in overpaid Housing Benefit was identified as a result of this initiative.

Customer / Equalities and Diversity Implications

- 3.16 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

AUTHOR OF REPORT

Name: Paul Stephenson
E Mail: paul.stephenson@bromsgroveandredditch.gov.uk
Tel: (01527) 64252