

**Audit, Governance &
Standards Committee
2021**

15th April

COMPLIANCE TEAM UPDATE

Relevant Portfolio Holder	Councillor David Thain - Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester – Head of Finance and Customer Services
Report Author David Riley	Job Title: Revenue Services Manager Contact email: david.riley@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An effective and sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

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

2. BACKGROUND

This report highlights the work the compliance team has done since the transfer of benefits fraud to the DWP Single Fraud Investigation Service in February 2016.

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

**Audit, Governance &
Standards Committee
2021**

15th April

- 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.

3. FINANCIAL IMPLICATIONS

3.1 The table below details the income generated by the work carried out by the compliance team in the year ended 31st March 2020:

Work Stream	Additional Income £
Council Tax un-banded properties	92,937
HBMS Referrals HB Overpayments	14,959
HMBS Referrals CTS Overpayments	2,241
NFI Referrals	8,666
Non-Domestic Rate unrated and underrated property	1,679,725
Verification of Earnings and Pensions (VEPs)	22,689
Total	1,855,461

3.2 The total income comprises additional Council Tax, Non-Domestic rates, and Invoiced Housing Benefit overpayments.

3.3 Non-Domestic Rates

The compliance team pro-actively search for business premises which are unreported or undervalued. This work is carried out through the examination of internal and external data sets, including referencing NDR database with Local Land and Property Gazetteer, examining current and historic planning applications, and proactively analysing external data sources to identify missing business premises. The work carried out during 2019/2020 identified missing and undervalued RV of £1,679,725 which resulted in additional NDR liabilities of £1,713,969

3.4 Council Tax missing properties

**Audit, Governance &
Standards Committee
2021**

15th April

Council Tax property records are cross referenced to the Local Land and Property Gazetteer, Internal Planning and Building Control data, and Environmental Services records to identify missing or newly completed domestic premises. The work carried out during 2019/20 identified missing or newly completed domestic premises which resulted in additional CT liabilities of £92,937

3.5 **HBMS/VEPs**

Data is provided by DWP which indicates that the information used for the assessment of Housing Benefit and/or Council Tax Support has changed or was inaccurate when a claim was made. This information is compared to the information held within Housing Benefit and where permitted Council Tax reduction claims and entitlement is adjusted. The work carried out during 2019/20 identified £14,959 Housing Benefit overpayments, £2,241 Council Tax Support overpayments and £22,689 from Verification of Earnings and Pensions.

3.6 **NFI**

£8,666 in overpaid Housing Benefit and Council Tax Support identified through the National Fraud Initiative.

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.

4. **LEGAL IMPLICATIONS**

4.1 There are no specific legal implications.

5. **STRATEGIC PURPOSES - IMPLICATIONS**

Relevant Strategic Purpose

5.1 The issues detailed in this report help to ensure that there is an effective and sustainable Council.

**Audit, Governance &
Standards Committee
2021**

15th April

Climate Change Implications

5.2 There are no Climate Change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

6.1 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.

Operational Implications

6.2 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.

6.2 The compliance team have also been assisting Human Resources with their investigations. During 2019/2020 the team assisted with 3 investigations.

7. RISK MANAGEMENT

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

8. APPENDICES and BACKGROUND PAPERS

None

**Audit, Governance &
Standards Committee
2021**

15th April

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor David Thain - Portfolio Holder for Finance and Enabling	April 2021
Lead Director / Head of Service	Chris Forrester – Head of Finance and Customer Services	April 2021
Financial Services	Chris Forrester – Head of Finance and Customer Services	April 2021
Legal Services	N/A	
Policy Team (if equalities implications apply)	N/A	
Climate Change Officer (if climate change implications apply)	N/A	