

POLICY ON FRAUD FOR HOUSING BENEFIT AND COUNCIL TAX BENEFIT



JUNE 2008

WYRE FOREST DISTRICT COUNCIL

POLICY ON FRAUD FOR HOUSING BENEFIT AND COUNCIL TAX BENEFIT

1. Introduction

- 1.1 This policy reinforces the Council's commitment to create an effective and secure operating framework for delivering its Housing Benefit and Council Tax Benefit service. The policy articulates the Council's attitude towards fraud and those who seek to defraud the Council. To ensure the intentions of this policy are converted into actions, an anti-benefit fraud strategy has also been developed. Both the policy and strategy will be available to all employees and members.

2. Statement of Intent

- 2.1 The Council will ensure that systems are in place, which mitigate against fraud and corruption from both within and outside the organisation. The Council already operates a corporate anti fraud and corruption strategy, which sets out its expectations on propriety and accountability by Members and employees alike. This policy seeks to reinforce those expectations specifically in relation to employees involved in the administration of Housing Benefit and Council Tax Benefit.
- 2.2 The Council is committed to the delivery of a Housing Benefit and Council Tax Benefit service that ensures accurate and prompt payment to those people who genuinely need help with their housing costs. Every effort will be made to ensure benefits are taken up by those people who genuinely need access to the service in line with the Council's Race Equality policy.
- 2.3 At the same time, the Council realises that some people will attempt to obtain benefits to which they are not entitled. In these situations, the Council will consider the circumstances of the individual case in line with its prosecution policy and, where appropriate, will either prosecute or administer a sanction.

3. Benefit Administration & Counter-Fraud Action

- 3.1 The Council believes that it is important to discourage and prevent fraud from taking place at the outset of the claim. The Council will, therefore, implement rigorous procedures for the verification of claims.
- 3.2 The standard for verification will be the guidelines given in the Department for Work and Pensions in line with their policy for risk based verification. In effect this will mean that the standard of verification will depend on the assessed risk of each case type.
- 3.3 This new approach will allow for speedy processing of electronic or telephone notifications by low risk claimants whilst high risk claimants will be required to provide full documentation.

- 3.4 Although claims for benefit will be subject to close scrutiny, the Council is committed to paying benefit within the statutory timescales under the 'Right Time – Right Benefit' principles as laid down by the DWP from 1st April 2008.
- 3.5 The Council will ensure systems are in place to assist the customer to complete their application in whatever form and to assist the customer to inform the Council of changes to their circumstances. For those people who have difficulty speaking English, or for whom English is not their first language the Council will either provide an interpreter or make information available in different formats.
- 3.6 The Council's application form for Housing Benefit/Council Tax Benefit meets the crystal mark standard for plain English, and therefore the questions, information and guidance are easily understood by the customer. The form will also carry warnings and information so that the claimant will understand the associated risks should they misinform the Council of their personal circumstances. The form will contain all the information the customer will require to understand their rights.
- 3.3 Even the most stringent of verification processes will fail to prevent all fraud entering the system. The Council will therefore ensure employees are employed with the specific duty of countering benefit fraud. These employees will be fully trained in all aspects of investigation work and to a professional standard. Additional training will also be provided to ensure employees deliver and actively promote anti-discriminatory practices.
- 3.4 The Council also recognises the potential risk of fraud and IT abuse by its own employees and is committed to controls designed to prevent this. Managers and Team Leaders will be responsible for defining and documenting procedures to ensure an effective and efficient system of internal control which also covers computer – based applications. Furthermore, at the time of appointment of all employees employed in benefits administration and fraud investigation cognisance will be paid to the guidance issued by the Human Resources Division on the take up of references from past employers.

4. Action on Overpaid Benefit

- 4.1 In some instances, benefits or extra benefits will have been obtained from the Council where there is no entitlement; e.g. due to failure to report a change in circumstances. Most overpayments of benefit are recoverable, regardless of the cause of the overpayment. The only exception to this is certain official error overpayments or where the amount has been paid to the landlord and that person could not reasonably have known of the change.
- 4.2 Due regard will be given to the circumstances relating to individual cases when deciding if recovery is appropriate. It would not be the Council's intention to place the claimant in hardship, but where it decides to recover an overpayment, failure to come to a reasonable arrangement for repayment will normally result in the Council taking civil action through the Courts.

5. Working in Partnership with Other Organisations

- 5.1 The Scampion Report, commissioned by Government and published in January 2000, provided an independent review of how organised fraud against the benefit system can be countered. One of the original findings of the report highlighted the need for closer/joint working with partner organisations. The Council is committed to developing a unified approach to reducing the level of fraud and error within the benefit system by working closely with the Department for Work and Pensions, Inland Revenue, Trading Standards, Police and other outside agencies. The Council's aim is to encourage all partnership organisations to develop and support effective joint working and share best practice in a collaborative and helpful manner.
- 5.2 In addition the Council will follow efficiency savings and requirements laid down by government departments.

6. Duties & Considerations of Counter-Fraud Employees

- 6.1 When investigating allegations or suspicions of fraud, Council fraud investigators will work within the following guidelines and legislation:-

- Social Security Administration Act, 1992
- Police & Criminal Evidence Act, 1984
- Data Protection Acts, 1984 & 1998
- The Criminal Procedures & Investigations Act, 1996
- Regulation of Investigatory Powers Act 2000
- Human Rights Act, 1998
- Freedom of Information Act 2000

- 6.2 It is the duty of the Council fraud investigators to investigate all referrals of suspected or alleged benefit fraud, and to establish the facts of each case. At the same time, they must work within the Council's code of conduct for investigators and policies in respect of race equality (including the Council's race equality scheme), equal opportunities, financial inclusion and anti-discriminatory practices.

7. Duties & Considerations of all Council Employees

- 7.1 The Council's anti-benefit fraud and corruption policy requires all employees of the Council to acknowledge their role in assuring overall propriety and maintaining the integrity of the Council's processing activities.
- 7.2 Countering fraud is the responsibility of everyone working in, or having management responsibilities for, Housing Benefit and Council Tax Benefit administration. The Council aims to ensure that all those involved with administering Housing Benefit and Council Tax Benefit understand what they must do to make the system effective and secure.
- 7.3 Although benefit claims will be subject to close scrutiny, the Council will seek to ensure that benefit is delivered within the statutory timescales for Right Time – Right Benefit and, at the same time, positively encourage people to access the service.

7.4 All Council employees involved in the administration of benefits and those requiring access to the Benefits Computer Systems, including any document image processing system are required to report to the Benefit Manager by the way of a declaration details of any property that they let to tenants and any claims for benefit to which they have some connection. This may be a claim for benefit where the employee is the landlord, the claimant, a partner, dependant or non-dependant on the application. If an Employee involved in the administration of benefits has knowledge of a claim that relates to a close family member, as described by the Housing Benefit Regulations, Reg. 2(1), then the Employee must report this case to the Benefit Manager. Employees with an interest in a claim will not be allowed to process that claim.

8. Reporting Suspicions of Benefit Fraud

8.1 The Council will ensure that mechanisms are in place for employees, members and the public to report anyone they suspect of committing benefit fraud.

9. Risk Analysis

9.1 To ensure counter fraud effort is correctly focused and to ensure weaknesses in both benefit administration and investigation are identified the Council will collect and analyse information held on its systems to carry out informed risk analysis.

10. Summary

10.1 In summary:

- The Council is committed to ensuring that people should get all the benefits to which they are entitled.
- The Council is committed to delivering the 'Right Benefit at the Right Time'.
- The Council will act against those people who fraudulently obtain benefits to which they are not entitled.
- Any benefit obtained to which a claimant is not entitled will be repaid in full to the Council. However, the Council will take care not to place anyone in hardship.
- The Council will respect the rights of all persons involved in an investigation of alleged fraud.
- This policy sets out the principle of a four-pronged campaign against fraud:
 - Secure gateways
 - Improved detection
 - Implementation of better deterrents
 - Better preventative measures