

Orkney Island Council

Housing Benefit and Council Tax Reduction

Anti-Fraud Policy



1. Introduction

- 1.1 Housing Benefit (HB) and Council Tax Reduction (CTR) should only be paid to claimants who are entitled to receive them. Policies and procedures must be in place to ensure that the correct amount of benefit is paid and that checks are carried out to prevent and detect fraudulent claims. Fraudulent activity cannot be accepted or tolerated and appropriate action must be taken against those who abuse the system.
- 1.2 From 1 April 2013 Council Tax Benefit (CTB) has been abolished as a Department for Work and Pensions (DWP) benefit and replaced with Council Tax Reduction (CTR) which is administered by the Council on behalf of the Scottish Government.

2. The role of staff in preventing and detecting fraud

- 2.1 All claims must be subjected to the proper verification of identity, income, capital, household membership and residency to ensure that benefit is paid to the correct person, at the correct rate. Staff should at all times be alert to the possibility that a claim may be incomplete or contain false information.
- 2.2 To be effective in preventing and detecting fraud, staff must have a sound knowledge of the HB and CTR systems. Training must be provided to ensure that regulations are correctly implemented and to develop an awareness of fraudulent activity.
- 2.3 Training will mainly be undertaken in-house with attendance on external courses where it is considered appropriate; and with reference to the Revenues Section training strategy.
 - 2.3.1 As a minimum the Verification/Fraud Officer should be qualified as an accredited fraud officer having successfully completed the Department for Work and Pensions Professionalism in Security (Pins) qualification.
 - 2.3.2 At least two Officers should also be qualified as an Authorised Officer, having successfully completed the Department for Work and Pensions Professionalism in Security (Pins 9) qualification.
- 2.4 Where fraudulent activity is suspected it should be referred to the Benefits Verification/Fraud Officer on a fraud referral form. Regular evaluation, monitoring and feedback where possible, to the originator of the fraud referral, will keep them informed of the progress and outcome of the referral.

- 2.5 Revenues Section employees should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them or be perceived to influence them in the performance of their duties. Revenues staff must not process claims involving relatives, friends or associates.
- 2.5.1 Revenues staff must declare any interests that might be perceived to influence decisions.
- 2.5.2 A Register of Staff Interests must be retained and reviewed on a monthly basis to record claims received from close relatives of benefits staff, or if a member of staff is a landlord or has a close relative that is. Close relative in this context is defined as:
- 2.5.2.1 a partner or spouse;
 - 2.5.2.2 a parent, step-parent or parent-in-law, or their partner; or
 - 2.5.2.3 brother or sister, step-brother or step-sister, or their partner ; or
 - 2.5.2.4 son, son-in-law, daughter, daughter-in-law, step-son, step-daughter, or their partner or their children including stepchildren;
- 2.6 Staff should ensure that their actions do not encourage fraudulent activity. Computer access should be determined by the appropriate level of authority. Computer terminals should not be left unattended and password protected screen savers should be activated when not in use. Benefit cheques that have been printed for use must not be left unattended and unused cheques must be kept in a secure environment.

3. Measures to prevent and detect benefit fraud

- 3.1 The Council is committed to maximising opportunities for the prevention and detection of benefit fraud through initiatives and policies that include:
- 3.1.1 A benefits business plan;
 - 3.1.2 A benefits fraud investigation business plan;
 - 3.1.3 A benefits fraud prosecution policy;
 - 3.1.4 Evidence gathering, intelligence and documents;
 - 3.1.5 Data matching with the Department for Work and Pensions (DWP) Housing Benefit Matching Service (HMBS);
 - 3.1.6 Data matching with Audit Scotland's National Fraud Initiative (NFI);
 - 3.1.7 Data matching against Real Time Information (RTI);
 - 3.1.8 Cross-referencing internal records;
 - 3.1.9 Targeting of high risk benefit claims (interventions);

- 3.1.10 Maximising access to the DWP's national Customer Information System database (CIS);
 - 3.1.11 The Royal Mail's "Do Not Re-direct" service;
 - 3.1.12 Access to Registers Scotland Registers of Sasines and Land Register.
 - 3.1.13 Joint working opportunities with agencies such as the DWP Fraud Investigation Service (FIS);
 - 3.1.14 Membership of the National Anti-Fraud Network (NAFN);
 - 3.1.15 Undertaking home visits;
 - 3.1.16 Liaison with other bodies and organisations such as landlords, Jobcentre Plus, The Pension Service, Inland Revenue and other council services such as Social Services;
 - 3.1.17 The promotion of Service Level Agreements or Memoranda of Understanding;
 - 3.1.18 Where permitted by relevant legislation, liaison and sharing of information with other organisations or Council services;
 - 3.1.19 Promoting fraud prevention and detection;
 - 3.1.20 Fraud awareness training sessions with relevant and interested parties;
 - 3.1.21 Provision of fraud awareness publicity.
 - 3.1.22 For 2015/16 participation in the DWP's fraud and Error Incentive Scheme (FERIS).
- 3.2 Management controls must be in place to ensure that the correct procedures are being followed to minimise fraud. This will include:
- 3.2.1 A claim checking process to ensure that the correct rate of benefit is in payment;
 - 3.2.2 Checking staff records to reduce the risk of internal fraud;
 - 3.2.3 Regular meetings with benefits staff to discuss the progress of investigations;
 - 3.2.4 The setting of, and monitoring against, fraud performance targets;
 - 3.2.5 Identifying trends in fraudulent activities.

4. Procedures to be followed on suspicion of fraud

- 4.1 If fraud is suspected it should be referred as follows:
- 4.1.1 A fraud referral form should be completed and forwarded to the Verification/Fraud Officer;
 - 4.1.2 The referral will be assessed for its quality and an assessment will be undertaken to determine the risks to public funds;
 - 4.1.3 An investigation will be made into the fraud allegation;
 - 4.1.4 On the conclusion of the investigation the person who made the original referral will receive notice of the outcome;
 - 4.1.5 Fraud involving other Social Security Benefits such as Income Support or Jobseekers Allowance should be investigated in accordance with the Arrangements between Orkney Islands Council and the Jobcentre Plus/ Fraud Investigation Service;
 - 4.1.6 If a member of the public notifies the Council of a suspected fraud, details should be taken and then forwarded to the Benefits Verification/Fraud Officer.
- 4.2 A fraudulent claim for Housing Benefit is a criminal offence and the Council must consider the following range of options:
- 4.2.1 To investigate and gather evidence to ascertain if a criminal offence has occurred. As part of that process an Interview Under Caution can be undertaken to ascertain the applicant's position. Thereafter the quality and weight of the evidence gathered requires to be considered to ascertain if there is a sufficiency of evidence to prove this offence to the required standard to determine whether a fraud has been committed;
 - 4.2.2 If there is insufficient evidence, to take no further action as there is insufficient evidence to support criminal proceedings;
 - 4.2.3 If there is a sufficiency of evidence, consideration can be given to offer an Administrative Caution. A fraud has to have been committed, and admitted to. This option is not available on cases where the offence is committed wholly on or after 1 April 2013 or the period of the offence spans 1 April 2013;
 - 4.2.4 If there is a sufficiency of evidence, consideration can be given to offer an Administrative Penalty as a direct alternative to prosecution. From 8 May 2012 there is a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2000) - where the offence is committed prior to 8 May 2012 or span 8 May 2012 the fixed penalty is calculated as 30% of the of the benefit overpayment arising from the offence;
 - 4.2.5 To consider prosecution;

- 4.2.6 To report the case to the Procurator Fiscal.
- 4.3 All Housing Benefit overpayments that are determined to be recoverable should be pursued using the following methods:
 - 4.3.1 By deduction from ongoing Housing Benefit entitlement;
 - 4.3.2 From arrears of benefit, which become payable while there is an outstanding overpayment;
 - 4.3.3 By deduction from other social security benefits by means of application to the DWPs Debt Management Service;
 - 4.3.4 By raising an invoice, to be pursued in accordance with the Council's debt recovery policy and procedures;
- 4.4 In the case of Council Tax Reduction, overpayments will be added onto the claimant's Council Tax account;
- 4.5 Overpayments recovery levels and actions will be monitored on a monthly basis and reported to the Revenues Manager.

5 Single Fraud Investigation Service

- 5.1 From September 2015 the Council's responsibility to investigate Housing Benefit Fraud will transfer to the Department for Work and Pension's (DWP) Single Fraud Investigation Service (SFIS).
 - 5.1.1 The transfer will impact on the requirement of Council staff to attain the Pins qualification and staff will no longer be responsible for undertaking Interviews Under Caution.
 - 5.1.2 A review of revised processes and procedures will be undertaken during 2015/16 to reflect the transfer of responsibilities to SFIS.

Policy adopted by the Council on 23 June 2009 at the meeting of the Policy and Resources Committee.

Document reviewed and revised June 2015