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| <i>COMMITTEE</i>           | <b>AUDIT SUB-COMMITTEE</b>                            |
| <i>DATE</i>                | <b>30 SEPTEMBER 2004</b>                              |
| <i>TITLE OF REPORT</i>     | <b>HOUSING AND COUNCIL TAX BENEFIT INVESTIGATIONS</b> |
| <i>RESPONSIBLE OFFICER</i> | <b>Richard Humphrey, Audit Services Manager</b>       |

**1. PURPOSE OF REPORT**

- 1.1 To inform members of the progress in investigating allegations of Housing and Council Tax Benefit fraud during the period April to early September 2004.

**2. RECOMMENDATIONS**

- 2.1. Members to note progress in implementing Medway Council's prosecution policy.

**3. BACKGROUND**

- 3.1 When investigating allegations of Housing and Council Tax Benefit fraud local authorities are encouraged by central government to adopt investigative methods that lead to specific outcomes, known as sanctions. Namely, that local authorities should consider the use of one of the following courses of action following a successful investigation:-

- Prosecution
- Issue of a caution
- Issue of an administrative penalty (fine).

**4. OUTCOME OF BENEFIT INVESTIGATIONS**

- 4.1. To date in the 2004/05 financial year, the investigations team have identified over £137,000 of fraudulent overpayments of Housing and Council Tax Benefit. Nine investigations have resulted in the issue of sanctions (Annex A). Central government rewards local authorities for each successful investigation and this activity has generated £70,800 income for Medway Council.

**5. FINANCIAL AND LEGAL IMPLICATIONS**

- 5.1. Any financial or legal implications arising are contained within this report.

## **6. CONCLUSIONS**


- 6.1. The investigations team is well positioned to deal with the changes in investigatory procedures following the move towards the issue of sanctions in the tackling housing and council tax benefit fraud.

## **7. BACKGROUND PAPERS**

- 7.1 None

## **CONTACT POINT**

Richard Humphrey - audit services manager

 332355

## Prosecutions undertaken

| Case Number | Fraud Type  | Overpayment<br>£ | Comment  |
|-------------|---|------------------|--|
| 7448        | Non declaration of partner                                  | 5,743            | Prosecution commenced but claimant subsequently cautioned. |
| 7519        | No liability for rent as claimant was joint property owner. | 2,589            | Conditional discharge for 12 months plus £50 costs         |
| 7664        | Non declaration of another benefit                          | 1,781            | Found not guilty   |
| 7839        | Non declaration of cessation of benefit                     | 2,374            | Conditional discharge for 12 months plus £40 costs         |

## Cautions or Administrative Penalty Issued

| Case Number | Fraud Type  | Overpayment<br>£ | Comment  |
|-------------|---|------------------|--|
| 256         | Working and claiming                                  | 7,486            | Legal Services advised that the main misstatement was against another organisation and that a caution was more appropriate |
| 7462        | Non declaration of another benefit                    | 316              | Claimant cautioned   |
| 7516        | Failure to declare partner's employment (2 occasions) | 142              | Claimant cautioned   |
| 7797        | Non declaration of commencement of employment         | 1,375            | Claimant cautioned   |
| 8110        | Non declaration of another benefit                    | 675              | Claimant cautioned   |