



ASHFIELD DISTRICT COUNCIL

ANTI FRAUD AND CORRUPTION STRATEGY

Director of Legal and Governance
(Monitoring Officer)

APPROVED:
Audit Committee – [10 February 2020]

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Version Control

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Revised V4	February 2020

Introduction

Fraud and Corruption are serious issues which can affect the services the Council provides, undermine the achievement of corporate objectives and impact upon the public's confidence in the integrity of Council Officers and Elected Members.

Ashfield District Council takes its duty to ensure stewardship of public money very seriously and has a zero tolerance to all forms of fraud and corruption. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption whether these are attempted from within or external to the organisation.

For the purpose of this document fraud and corruption are defined as follows:

Fraud: 'The intentional distortion of financial statements or other records by persons internal or external to the Authority, which is carried out to conceal the misappropriation of assets or otherwise for gain.'

Fraud is a deliberate act by an individual or group of individuals. Fraud is therefore always intentional and dishonest.

Corruption: The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any other person.

The Anti-Fraud and Corruption Strategy consists of a series of procedures designed to deter and detect any attempted fraudulent or corrupt act and covers:

- Culture
- Prevention
- Detection and Investigation
- Training

Where effective and efficient, a pro active strategy will be adopted within the Council. The Revenues and Customer Services team has a bespoke strategy (see Appendix D) which incorporates a number of measures and processes to prevent and detect fraud. The Central Midlands Audit Partnership (CMAP) evaluate the risk of fraud when developing the strategic audit work plan and designing appropriate test programmes.

Culture

Ashfield District Council is committed to creating an environment that is based on the prevention of fraud and corruption. This is achieved by promoting openness and honesty in all Council activities.

The Council requires all individuals and organisations associated in whatever way with the Council to act with integrity and that Elected Members, employees and representatives, at all levels, will lead by example in these matters.

The Council's Elected Members and employees play an important part in creating, maintaining and promoting this culture. They are encouraged to voice any serious

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concerns about any aspect of the Council's activities. The Council has an Anti Money Laundering Policy and also a Whistleblowing Policy, which ensures any concerns raised will be properly investigated in a professional and confidential manner. Both of these policies are available on the Council website:

www.ashfield.gov.uk

The effectiveness of our culture will be measured through the monitoring of incidents reported and through periodic surveys of general public, employee and Elected Member perceptions.

Prevention

Employees

The Council recognises that a key preventative measure in the fight against fraud and corruption is to recruit employees who have high standards in terms of propriety and integrity. The Council strives to achieve this through effective recruitment policies and procedures which include:

- i) Obtaining written references prior to appointing employees, including those employed on a temporary or contract basis.
- ii) Undertaking Disclosure and Barring Service checks for designated posts.
- iii) Pre-employment checks such as identity confirmation, right to work, qualifications

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Upon appointment all employees are issued with the Employees' Code of Conduct and are required to sign a statement to the effect that this has been read and understood. The Employees' Code of Conduct details the standards all employees must uphold to maintain the integrity of the Council's activities. The Code includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality.

All employees must operate and adhere to the Council's Financial Regulations and Contract Procedure Rules. These documents are introduced as part of the induction process and training courses are provided. They can also be accessed on the Council website and intranet.

Employees are expected to comply with the National and Local Scheme of Conditions of Service and the ethics and standards associated with the professional body to which they may belong.

The Council has Disciplinary Procedures which will be used where the outcome of an investigation indicates improper behaviour by employees.

Elected Members

All Elected Members have a duty to the citizens of Ashfield to ensure that the Council uses its resources prudently and in accordance with the law. As such they are required to operate and adhere to the Council's Constitution incorporating the Members' Code of Conduct. The Code includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality.

All Elected Members must operate and adhere to the Council's Financial Regulations and Contract Procedure Rules.

The Monitoring Officer and Chief Finance Officer

The Monitoring Officer and Chief Finance Officer have key roles in providing advice to all Elected Members and employees about issues relating to the powers of the Council, maladministration, financial impropriety, probity and policy framework and budget issues.

The Monitoring Officer encourages the promotion and maintenance of high standards of conduct within the Council, particularly through the provision of support to the Standards and Personnel Appeals Committee.

The Chief Finance Officer undertakes the statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements for the administration of the Council's financial affairs. This role is supported by work undertaken by CMAP.

Systems

Each Director is responsible for the successful implementation of controls designed to prevent and detect fraud within their Directorate.

Management at all levels are responsible for ensuring that their teams are aware of the Council's Financial Regulations and Contract Procedure Rules and that the requirements of each are being met.

Directors are responsible for ensuring that adequate and appropriate training is provided for employees and that checks are carried out from time to time to ensure that proper procedures are being followed.

Working with others

Arrangements are in place and continue to develop to encourage the exchange of information between the Council and other Agencies on national and local fraud and corruption activity in relation to Local Authorities. These include:

- Chartered Institute of Public Finance and Accountancy (CIPFA)
- Nottinghamshire and Midland Chief Auditor Groups
- Police
- National Anti-Fraud Network
- Cabinet Office (for NFI)

Internal Audit

The Accounts and Audit Regulations 1996 and 2009 requires the Council to maintain an adequate and effective system of internal audit. CMAP independently review the adequacy, efficiency and effectiveness of internal controls within the Council's systems by undertaking a comprehensive programme of work targeted at key risk areas.

Any weaknesses in internal control are reported to management with proposed recommendations to address the issues raised. It is the responsibility of management to ensure that corrective action is taken. The independent review of systems and the

implementation of agreed recommendations contribute to the prevention and detection of fraud and corruption.

External Audit

Independent external audit is an essential safeguard of the stewardship of public money. All external auditors are required, under the Local Government Finance Act 1982, to carry out their audits in accordance with the Code of Practice.

This Code emphasises management's role in preventing and detecting fraud and corruption. External Audit review the Council's arrangements in meeting this objective.

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Detection and Investigation

The preventative measures undertaken by the Council, particularly the implementation of sound control systems, have been designed to deter fraud and provide indicators of fraudulent activity.

It is often the alertness of employees and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

The Council aims to have a proportionate pro-active strategy towards fraud prevention and detection. Fraud discovery is also generated by chance or 'tip-off' and the Council has in place arrangements to enable such information to be properly dealt with. Where fraud, theft or corruption is suspected either by employees, Elected Members or members of the public, reporting procedures exist as indicated below:

Appendix A explains the procedures to be followed by an **employee** of the Council

Appendix B explains the procedures to be followed by an **Elected Member** of the Council

Appendix C explains the procedures to be followed by a **member of the public / outside organisation**

The Anti-Fraud and Corruption Strategy, Housing Benefit and Council Tax support is set out in **Appendix D**

The investigation of any other suspected fraud or corruption is normally carried out by CMAP. Upon completion of the investigation, an audit report is issued to the Monitoring Officer who, with the Chief Executive, has joint responsibility for determining what further action to take. A copy of the report will also be issued to the Director concerned and the Chief Finance Officer.

The reporting procedure is essential as it ensures:

- i) The consistent treatment of information regarding any suspected fraud and/or corruption
- ii) An effective investigation by an experienced audit team

- iii) The proper implementation of a structured response to any suspected act of fraud and/or corruption
- iv) The investigation will be undertaken in accordance with the Regulation of Investigatory Powers Act 2000 (if relevant)

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Depending on the nature and anticipated extent of the allegations, CMAP will normally work closely with the Monitoring Officer and other agencies such as the Police to ensure that all allegations and evidence are properly investigated and reported upon.

The Council will request the Police to charge offenders where financial impropriety is discovered. The decision on impropriety is a matter for the Monitoring Officer in consultation with the Chief Executive and the Chief Finance Officer.

The Council's Disciplinary Procedures will be used where the outcome of the audit investigations indicates improper behaviour has occurred regardless of whether this has been referred to the Police.

TRAINING

The Council recognises that the continuing success of the Anti-Fraud and Corruption Strategy, and its credibility, will depend largely on the effectiveness of employees throughout the organisation.

Senior Management will be responsible for ensuring that all employees are properly trained in the procedures that they should follow when undertaking their duties.

Elected Members will also receive training in relation to anti-fraud and corruption.

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CONCLUSION

The Council has in place a clear network of systems and procedures to assist in the fight against fraud and corruption and hence protect public funds and assets.

The Council maintains a continuous overview of such arrangements through its employees, particularly through CMAP, the Monitoring Officer and the Chief Finance Officer.

APPENDIX A

EMPLOYEE FRAUD REPORTING PROCEDURE

If you suspect a fraud, theft or corruption is being committed within the Council or committed against the Council, there are a few simple guidelines that should be followed:

1. Make an immediate note of your concern

Note all relevant details:

- what was observed;
- details of conversations;
- date, time and name of the parties involved.

Do not attempt to investigate the matter yourself.

2. Convey your suspicions to your Section Manager or Director

In accordance with Financial Regulations C.11 if a manager becomes aware of or suspects a fraud, theft or corruption he/she must immediately notify the Chief Executive, the Chief Finance Officer and the Monitoring Officer. Upon receipt of such notification these officers shall take steps considered necessary. This will usually include one or more of the following actions:

- The matter being investigated by CMAP
- Referral to the Police
- Referral to the External Auditor

Alternatively, due to the seriousness and sensitivity of the issue and who is thought to be involved, you may take the matter directly to one of the following:

- Chief Executive Officer
- Monitoring Officer (Director of Legal and Governance)
- Chief Finance Officer

The Council has a Whistleblowing Policy which provides protection for employees against harassment or victimisation where concerns have been raised in good faith.

3. Report the matter promptly, if you feel your concerns are warranted

Any delay may cause the Council to suffer further financial loss.

The above demonstrates a number of ways in which your concerns can be raised within the Council. If you are not satisfied with the action taken, you may wish to take the matter outside the Council. The following are contact points:

- An **Elected** Member of the Council
- Your Trade Union, relevant professional bodies or regulatory organisations.
- The Nottinghamshire Police non-emergency line 101

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If you do take the matter outside the Council, you need to ensure that you do not disclose confidential or privileged information.

APPENDIX B

ELECTED MEMBER FRAUD REPORTING PROCEDURE

If you suspect a fraud, theft or corruption is being committed within the Council or committed against the Council, or have had concerns raised with you, there are a few simple guidelines that should be followed:

1. Make an immediate note of your concern

Note all relevant details:

- what was observed;
- details of conversations;
- date, time and name of the parties involved.

Do not attempt to investigate the matter yourself.

2. Convey your suspicions

Report your concerns to the Chief Executive or the Monitoring Officer

3. Report the matter promptly

Any delay may cause the Council to suffer further financial loss.

The above demonstrates a number of ways in which your concerns can be raised within the Council. If you are not satisfied with the action taken, you may wish to take the matter outside the Council. The following are contact points:

- The Nottinghamshire Police non-emergency line 101

If you do take the matter outside the Council, you need to ensure that you do not disclose confidential or privileged information.

MEMBER OF THE PUBLIC - FRAUD REPORTING PROCEDURE

What should you do if you suspect fraud, theft or corruption?

1. Make an immediate note of your concern

Note all relevant details:

- what was observed;
- details of conversations;
- date, time and name of the parties involved.

Do not attempt to investigate the matter yourself.

2. Convey your suspicions in writing marked CONFIDENTIAL to the following:

Chief Executive or the Monitoring Officer
Ashfield District Council
Urban Road
Kirkby-in-Ashfield,
NOTTINGHAM
NG17 8DA

If the suspected fraud relates to Housing Benefit/Council Tax Benefit, forward your suspicions in writing marked CONFIDENTIAL to:

Service Manager, **Revenues and Benefits**
Revenues and Customer Services
Ashfield District Council
Urban Road
Kirkby-in-Ashfield
NOTTINGHAM
NG17 8DA

The service can be contacted during normal working hours on (01623) 450000 or Contact the National Benefit Fraud Hotline on 0800 854 440.

The above demonstrates a number of ways in which your concerns can be raised to the Council. If you are not satisfied with the action taken, you may wish to take the matter outside the Council. The following are contact points:

- An **Elected** Member of the Council
- The Nottinghamshire Police on a non-emergency line 101

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**Anti-Fraud and Corruption Policy
Housing Benefit and Council Tax Support**

Version Control

Version Number	Date Issued
Original	December 2004
Revised V1	April 2005
Revised V2	October 2006
Revised V3	April 2009
Revised V4	April 2012
Revised V5 Website	March 2014
Revised V6	November 2017
<u>Revised V7</u>	<u>January 2020</u>

Housing Benefit and Council Tax Support - Fraud Prevention

1. Statement of intention

Ashfield District Council (the Council) is committed to the delivery of a high quality Housing Benefit and Council Tax Support service to its citizens. Benefits are for those who are the most vulnerable in society and should be assessed and paid within Government guidelines in an efficient and effective manner.

The Council is committed to ensuring that its citizens receive the benefits and support to which they are entitled to and will strive to ensure that those people, who need to access the service, do so.

However, the Council recognises that some people will attempt to obtain support to which they have no entitlement. Occasionally this is done with planning and intention. Where intention and planning is involved, then the Council will consider the background to the incident and, where appropriate, initiate proceedings under appropriate legislation.

2. Working Practices to prevent and detect fraud

Verification of Housing Benefit/Council Tax Support claims

Information provided by the claimant on the application form will be verified by Housing Benefit/Council Tax Support Officers. All supporting evidence will be scanned onto the W2 document management system and retained as evidence to support the claim. All supporting documents will be verified as original documents by the Benefits Officers before the claim is assessed for entitlement (in so far as can reasonably be achieved).

Full use of the DWP's CIS (Customer Information System), in accordance with the Memorandum of Understanding signed by Ashfield District Council and the DWP, is also required in order to verify customer income details.

Housing Benefit staff use the VEP Alert Service to assist in processing Housing Benefit and Council Tax Support claims. The VEP service provides electronic alerts to users to prompt them to access the service where there has been a change in a claimant's/partner's employment or pension. Benefits staff will receive notification of starts in employment or changes to earnings and non-state pensions that could impact on Housing Benefit payment in real time. Use of this information is not permitted for any other purpose.

Benefit Officers have the power to make reasonable requests for evidence to support benefit applications to ensure that any potential fraud and error is minimised before any payment of Housing Benefit or Council Tax Support is made.

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Fraud Prevention and Detection

Ashfield District Council's Revenues and Benefits Service undertake work to prevent or detect fraudulent claims for Housing Benefit and Council Tax Support. Work is also undertaken to detect fraudulent claims for certain Council Tax Discounts and Exemptions.

The following anti-fraud activities are built in to the normal working processes of the Revenues and Benefits Service.

Housing Benefit and Council Tax Support

✓ Verification Framework (principle of)

The Council is committed to the principles of the Verification Framework. Secure and effective administration of the Housing Benefit and Council Tax Support scheme is encompassed within the Framework. The VF is guidance produced by the DWP to provide LAs with minimum standards for the collection of evidence and ongoing checks in both HB and CTS cases. The intention is that by adhering to the VF, the amount of fraud and error entering the system will be reduced, and any that does enter will be detected more readily.

Since the introduction of VF all new cases, reviews and change of circumstances have been subject to the VF and any fraudulent cases that have been detected have been passed for investigation and prosecutions and sanctions have been applied in appropriate cases.

✓ The DWP's Housing Benefit Matching Service (HBMS)

✓ National Fraud Initiative (NFI) – Data Matching Service

✓ The VEP Alert Service – real time information (from HMRC) about changes of earnings, benefits and pensions of HB claimants

✓ ATLAS notifications – the Automatic Transfer of DWP information to LA systems

✓ Undertaking joint working with the DWP's Fraud and Error Service

✓ Undertaking home visits to help deter and detect fraud

✓ Operating the Royal Mail's "Do Not Redirect Service"

✓ CIS – DWP's Customer information System

- On-line access is available to benefit records held by the Department for Work and Pensions, thus ensuring details supplied by claimants can be verified instantaneously.

✓ Service Level Agreements/Joint Working Partnerships

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Real Time Information (RTI) – earnings data matching cross-referencing internal benefits records¶

To facilitate effective joint working between the Council and other organisations e.g. DWP's Fraud and Error Service (FES) and DWP's Operational Intelligence Unit (OIU).

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✓ Benefit Fraud Hotline

Contact the National Benefit Fraud Hotline on 0800 854 440. Calls are free and confidential. Those reporting suspected fraud are not required to give their name and address. Lines are open Monday to Friday 8.00am to 6.00pm.

✓ Prosecution Policy

The Policy ensures a firm and consistent approach to dealing with those who abuse the system and also a meaningful deterrent to those who are contemplating doing so.

✓ Un-cashed Housing Benefit cheques

Checking of claims where Housing Benefit cheques remain un-presented for six months or more.

Council Tax and Business Rates – Fraud Detection

- Single Person Discount – biennial review to identify council tax discounts that should no longer be claimed.
- Empty Properties – biennial review to identify properties that are listed as unoccupied that are now occupied.
- Business Rates – Unreported changes affecting the Rateable Value (preventing Business Rates avoidance)

3. Training

New starters within the Revenues Services and the Customer Services will receive Fraud Awareness Training within the first three months of their arrival. All other Revenues and Customer Service Centre staff will attend refresher sessions as determined within the PDR process. This will help to ensure that the number and quality of referrals remains high.

In addition to this, employees from other Service Areas and Members can be provided with Housing Benefit Fraud awareness training on request.

Additional ad-hoc training will be provided as and when the need arises.

4. Integrity

The Council will require all employees involved in the administration of benefits to report to the Service Manager, Revenues and Benefits, details of any property that they are renting to tenants and any Housing Benefit / Council Tax Support claims with which they have some connection. An example would be where an employee is a landlord of a tenant who is in receipt of Housing Benefit from Ashfield District Council

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If a revenues and benefits officer has knowledge of a claim where the claimant/claimant's partner is a close family member (as defined in Regulation 2 of the Housing Benefit (General) Regulations 1987) then the officer must report this case to the Service Manager, Revenues and Benefits.

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Gifts and hospitality offered to Council employees as a consequence of their role as an employee of the Council should be discouraged. Invitations, hospitality and gifts should only be accepted with the prior approval of the Service Manager, Revenues and Benefits, and should be registered in the Register of Declarations of Hospitality in accordance with agreed procedures.

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Any employee found to be involved in an offence under the Social Security Administration Act 1992, or any other criminal offence involving claims to benefit/support either at this Council, or any other Local Authority or the Department for Work and Pensions, will be subject to the Council's disciplinary procedures and possible prosecution proceedings.

5. Suspected Fraud

All Housing Benefit assessors are required to be vigilant in carrying out their duties and, in the case of suspected Housing Benefit Fraud, to report the case to the DWP's Fraud and Error Service for full investigation.

Case Referral to DWP (Fraud and Error Service)

Staff with access to the Civica system who suspect fraud or irregularity with a Housing Benefit and/or Council Tax Support claim will:-

- Flag up their concerns about the claim to a Benefit Senior Officer to Benefit Team Leader
- The Claim will be reviewed by the Senior Benefit Officer and/or Team Leader to confirm that there appears to be a possible fraud

Once potential fraud has been confirmed then the following guidance will apply.

Fraud and Error Service HB fraud referrals – Housing Benefit Claims

Each local authority has nominated a SPOC (Single point of Contact) to manage the fraud referral and investigation process. The SPOC is responsible for ensuring that a fraud referral and supporting evidence is submitted to FES in the prescribed manner, responding to FES enquiries, and ensuring that appropriate action is taken at the conclusion of investigation or compliance activity.

In FES, the SPOC is the person that the local authority would contact if there was a query, or an issue to be resolved.

Any potential fraud identified through the administration of HB, including Housing Benefit Matching Service (HBMS), National Fraud Initiative (NFI) and VEP Alerts, should be referred to the Department for Work and Pensions Fraud and Error Service (DWP FES),

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- The FES team will assess the referral and decide if Criminal Investigation or Low Level Fraud action is appropriate.
- Referrals from HBMS, NFI and RTI should be submitted to DWP on the Single Fraud Investigation (SFI) referral template.
- The template should be fully completed with the claimant's details, allegation type and HB claim details.
- For VEP Alerts, referrals officers should include screenshots taken from the housing benefit system in the email with the SFI referral template.
- The screenshots should show the RTI data that supports the referral, including:
 - a. employer or pension provider name
 - b. start and end dates of earnings/pension income
 - c. amounts received.
- Where an LA is unable to provide screenshots, the data must be included in the SFI referral template.
- The template and any screenshots will then be emailed to the appropriate DWP FES Regional Email Inbox via secure email (GCSX)
- The information provided should be as comprehensive as possible, giving all relevant details in a clear, logical order.

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In matters relating to Housing Benefit Administration and the investigation of potential fraudulent claims all ADC Housing Benefit Staff and DWP Fraud Investigators must adhere to relevant legislation and codes of practice.

The following is a list of relevant legislation (not exhaustive)

- The Theft Act 1968 (as amended 1978)
- The Magistrates Courts (taking of Witness statements) Act 1981
- The Police & Criminal Evidence Act 1984 (PACE)
- The Social Security Administration Act (1992)
- The Criminal Procedures and Investigation Act 1996
- The Social Security Administration (Fraud) Act 1997
- The Data Protection Act 1998
- The Human Rights Act 1998
- The Regulation of Investigatory Powers Act 2000
- The Freedom of Information Act 2000
- The Social Security Fraud Act 2001
- The Fraud Act 2006

6. Feedback

If a case is referred to the DWP's Fraud team and not investigated, for whatever reason, the DWP fraud Officer should provide an explanation as to why the case could not be taken to prosecution.

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Feedback may, also be given to staff at the end of an investigation, to advise them of the outcome. The overall aim of providing feedback is to encourage staff to make further referrals in the knowledge that they have helped stop or prevent a fraud.

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7. IT and physical security

The Revenues Service as a whole, is housed in a secure environment with restricted access away from the general public.

Access to the Revenues IT system is kept secure by password protection. A clear audit trail is recorded on the system so that any abuse of trust can be identified back to the perpetrator.

The Revenues & Benefits team operates a clear desk policy, which means that any records containing personal information are locked away securely at the end of each day.

8. Sanctions

General

The Council is committed to protecting public funds through its action against fraud. To this aim, the Council's Benefit Fraud Prosecution Policy represents a robust stance against those perpetrating benefit frauds. The Service Manager, Revenues and Benefits, is responsible for the implementation of the policy.

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Although Housing Benefit fraud cases are no longer investigated by Local Authorities, responsibility for the Housing Benefit fraud remains with the local authority.

Range of Sanctions

The Council has a range of sanctions available if fraud is found. Once the DWP Investigating officer has determined a potential fraudulent claim they are required to recommend an appropriate sanction to the council.

The Benefits Service will consider each case on its own merits and will determine whether the DWP recommendation is accepted.

There are four options available:-

1. Prosecution

Criminal proceedings may be brought against alleged offenders and the case heard in Court with a view to obtaining a criminal conviction and an appropriate sentence.

Prosecution proceedings will usually be instigated only after the evidential and public interest tests are satisfied as detailed in the Code for Crown Prosecutors.

Prosecution will be considered where:

- a) It was not a first offence, or
- b) The fraud has been deliberate and calculated, or
- c) The fraud had continued over a long period; or

- d) The person has failed to attend an interview under caution; or
- e) There were other persons involved in the fraud, or
- f) The person has declined the offer of an Administrative Penalty or withdrawn agreement to pay and Administrative Penalty; or
- g) The person has declined the offer of an official caution

In these circumstances the council may prosecute. There will be no requirement to repay the overpayment.

The council may prosecute using our own legal service, the police or other agency solicitors who will all adhere to The Code for Crown Prosecutors.

The decision to prosecute is a serious step and has implications for all concerned. The council will ensure that decisions to prosecute are made in a fair, consistent and equitable manner. In exceptional circumstances an alternative to prosecution may be considered. Other factors will be taken into consideration before prosecution is recommended.

2. Formal Caution

A caution is an oral warning given in certain, less serious circumstances as an alternative to prosecution to a person who has committed an offence. It is intended to be a meaningful penalty and deterrent where other actions are not appropriate. If a person declines the offer of a caution the case will be recommended for prosecution.

A caution will be considered where the amount of the overpayment is up to £2,000 where the evidence indicates that:

- a) It was a first offence, or
- b) There was no planning involved, or
- c) There was no other person involved in the fraud, and
- d) The person's circumstances and demeanour towards the offence indicates that a caution would be the most appropriate action.

In these circumstances the council may issue an official Local Authority Caution and require full repayment of the overpayment.

3. Administrative Penalties

In accordance with Social Security legislation, Administrative Penalties will be considered as an alternative to prosecution in Housing Benefit fraud cases. A financial penalty amounting to a statutorily determined percentage of the gross adjudicated overpayment can be offered to a person where there is enough evidence to prosecute.

4. Overpayment Recovery and Civil Court Action

A strict requirement to repay monies fraudulently obtained is in itself another major deterrent to fraud, and may be additional to any other sanctions that are applied. Recovery may also include Civil Court action.

The Council has four options for prosecuting its cases:

- The Council's Legal Services

- DWP solicitors
- The Police and Crown Prosecution Service
- Agent solicitors

The Council would normally use its own Legal Services and would only use the Crown Prosecution Service for joint-working cases. The Police would only be involved in very serious cases and/or where there has been a need to have the alleged offender arrested.

9. Sanctions procedure

In a case where DWP Investigating officer considers a sanction should be considered they will forward the file to the council together with a fraud overpayment report recommending the appropriate sanction action. This will have followed either an interview under caution (IUC) or at least two failed attempts to IUC. The final appointment letter will usually be hand delivered to the relevant persons address and either given in person or posted through the letterbox.

The Benefits Service appointed officers will review the case and check for procedural and/or administrative errors and omissions. The recommendation will be checked to ensure that it is consistent with this policy, if necessary recommending an alternative sanction.

The Service Manager, Revenues and Benefits has delegated authority allowing formal cautions and administrative penalties recommended by the DWP's Fraud and Error Service to be accepted.

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All recommendations for prosecution proceedings will be referred to the Director for Resources and Business Transformation before formal acceptance is made.

10. Partnership Working

Department for Work & Pensions (DWP) – Fraud and Error Service

The Council is committed to Joint-Working with its counterparts at the Department for Work & Pensions Fraud and Error Service (FES). The Council is a signatory to the DWP Counter Fraud Joint Working Partnership Agreement and is committed to the achieving the minimum standards required.

Meetings with the local FES liaison officers ensure compliance with the agreement and any deviations from the standard can be resolved.

Nottinghamshire Police

The Council may involve itself in Community Action Days where there is a benefit fraud interest. Work is in progress to finalise the information sharing protocol (APAC)

11. Sharing good practice

Good practice forums

The Council will continue to actively participate with other Local Authorities and the DWP with regards to sharing good practice and benchmarking.

12. Overpayment recovery

The Council is committed to ensuring overpayments of Housing Benefit and Council Tax Support are recovered. Recovery action is viewed as an important element of the Council's counter fraud activity.

Where overpayments have arisen as a result of fraud as defined in Regulation 102 (3) of the Housing Benefit (General) Regulations 1987 then the Council will consider imposing the maximum rate of recovery from any ongoing entitlement to benefit.

Alternatively, debtors will be pursued to the point of obtaining an order of the County Court.

Landlords who receive Housing Benefit directly will, in appropriate circumstances, have overpayments recovered from any future Housing Benefit payable to their tenants. Each case will be considered on its merits. Landlords will be advised of this action.

13. Publicity

Statistics relating to the number and type of sanctions imposed will be reported to the Service Manager, Revenues and Benefits on a monthly basis.

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Information regarding successful prosecutions and sanctions will be supplied to the Council's Senior Communications Officer for inclusion in internal and external publications.

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