

**HOUSING BENEFIT FRAUD INVESTIGATION LIAISON ARRANGEMENTS IN
SCOTLAND**

1.0 EXECUTIVE SUMMARY

1.1 This paper provides a commentary on the report published by Accounts Commission on 19 January 2017 on housing benefit fraud investigation liaison arrangements in Scotland. The responsibility for housing benefit counter fraud work transferred to DWP's Fraud and Error Service (FES) and two out of our three fraud staff TUPE'd across on 1 October 2015. The Council created a small corporate counter fraud to pick up residual responsibilities for counter fraud and this team of 2 people also act as the single point of contact for FES. The funding from DWP for this is £1,800 for 2017/18, reduced from £2,566 in 2016/17.

2 INTRODUCTION

2.1 We have a local SLA agreement with the DWP and our responsibilities include:

- making referrals to DWP for any suspected fraud being undertaken by HB claimants;
- the provision of information such as claim forms, correspondence between the LA and the claimant and any other information we hold verifying an HB claim to aid a fraud investigation undertaken by FES;
- informing DWP of any changes to entitlement to HB during the investigation and calculating any overpayments (including underlying entitlement) and notifying DWP of the amount of the overpayment;
- considering offering an Adpen as an alternative to prosecution in certain and advise DWP of this decision.

2.2 The DWP must inform us:

- of the decision to investigate both criminal (high level) and compliance (low level) cases;
- for consideration of claim suspension;
- of the outcome of any Adpen offer;
- of investigation closure.

2.3 There are timescales around each of these responsibilities in terms of number of working days.

3.0 RECOMMENDATIONS

3.1 The Committee is asked to note the report.

4.0 DETAIL

4.1 The council has referred 15 cases to DWP through the SPOC since 1 October 2015. Fewer cases are referred than we used to handle in house. DWP's minimum case value is £2,000 compared to our previous in-house threshold of £750. There is very little incentive to make referrals. When referrals are made, each one is individually very time consuming – lots of forms have to be completed. With little funding for this work, there is only limited resource to do this.

4.2 The SLA targets are not monitored, and no management information is exchanged. Recently a new West of Scotland area review group has been set up involving FES and 9 Local authorities to discuss the processes and propose changes and amendments. The first meeting was in November in Helensburgh, hosted by us. This group can escalate issues to the higher level national forum referred to in the report.

4.3 The national report concludes that:

- Potentially fraudulent claims are not always being dealt with appropriately;
- Fraudulent claimants are not always being subject to sanction or prosecution;
- Fraudulent overpayments are not consistently being created or recovered where appropriate;
- There is no monitoring against agreed performance indicators;
- There is a lack of management information and numbers of referrals have declined;
- DWP should review the funding methodology;
- There is commitment to improving processes and procedures.

4.4 We would wholly concur with these findings. The creation of the Single Fraud Investigation Service and the transfer of local authority counter fraud staff to the new body has clearly diluted the focus on detection of housing benefit fraud. We are involved with a local West of Scotland group inputting to improvements. However, without fundamental review of funding, staffing and methodology, we would not expect this to improve significantly.

5.0 CONCLUSION

5.1 The paper provides some background and commentary on the findings of this national report.

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