

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 29TH March 2012

OVERPAYMENTS UPDATE

Relevant Portfolio Holder	Councillor Roger Hollingworth Portfolio Holder for Finance, Partnerships and Economic Development
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Ward(s) Affected	All
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 This document is written as requested by the Audit Board on 15 December 2011, in relation to clarification required in relation to Housing Benefit and Council Tax Benefit overpayments.

2. RECOMMENDATIONS

- 2.1 That the Audit Board approve this document and the additional information contained within it.

3. KEY ISSUES

Financial Implications

- 3.1 Within the original report to the Audit Board (dated 15 December 2011), information confirming the amount of Housing Benefit and Council Tax Benefit overpayments raised were noted.
- 3.2 Audit Board wished to have further information in relation to the total amount of Housing Benefit / Council Tax Benefit overpayments raised, showing the split between that and the amount of fraudulent overpayments raised. In addition, a request was made regarding the proportion of overpayments collected, alongside comparison with neighbouring Local Authorities.
- 3.3 During the financial year from April 2010 to March 2011, the following details in relation to overpayments for Bromsgrove District Council, are shown below:

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 29TH March 2012

Total Housing Benefit/Council Tax Benefit Overpayments raised = **£810,624.73**
(this does not include technical council tax benefit overpayments which are raised up to the financial year end regardless of when actioned – it only includes genuine overpayments)

Total Housing Benefit/Council Tax Benefit overpayments raised by the Corporate Anti-Fraud Team (CAFT) = **£163,691.77**

% of overpayments raised by CAFT against total overpayments = **20.2%**

Recovery of overpayments is shown below:

Total overpayments raised during the year = **£810,624.73**

Total amount recovered during the year = **£458,849.80**

There is no facility within the Benefit System to identify what percentages of overpayments raised by the Corporate Anti-Fraud Team are recovered. This cannot be provided.

The following Benchmarking data is collated quarterly, however as you will note, not all Local Authorities provide this data as a matter of routine. The information below is as complete as can be provided; it does however provide an indication regarding the performance of overpayment recovery within Bromsgrove Council.

% of overpayments recovered as a % of total overpayments outstanding	
Bromsgrove	57%
Herefordshire	47%
Malvern Hills	49%
Redditch	28%
Worcester	47%
Wychavon	49%
Wyre Forest	

Bromsgrove District Council

During the financial year from April 2011 to September 2011, the following details in relation to overpayments are shown below:

Total Housing Benefit/Council Tax Benefit Overpayments raised = **£406,513.04**
(this does not include technical council tax benefit overpayments which are raised up to the financial year end regardless of when actioned – it only includes genuine overpayments)

Total Housing Benefit/Council Tax Benefit overpayments raised by the Corporate Anti-Fraud Team (CAFT) = **£176,274.90**

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 29TH March 2012

% of overpayments raised by CAFT against total overpayments = **43%**

Please Note – the National Fraud Initiative has had an impact on these figures as a major bi-annual Datamatching exercise which is undertaken by the CAFT team, in relation to all irregularities including Benefit related concerns.

Recovery of overpayments is shown below:

Total overpayments raised = **£406,513.04**

Total amount recovered during the year to date = **£342,684.74**

There is no facility within the Benefit System to identify what percentages of overpayments raised by the Corporate Anti-Fraud Team are recovered. This cannot be provided.

The following Benchmarking data is collated quarterly, however as you will note, not all Local Authorities provide this data as a matter of routine. The information below is as complete as can be provided; it does however provide an indication regarding the performance of overpayment recovery within Bromsgrove Council.

% of overpayments recovered as a % of total overpayments outstanding	
Bromsgrove	84%
Herefordshire	
Malvern Hills	
Redditch	68%
Worcester	
Wychavon	
Wyre Forest	84.9%

Legal Implications

3.4 There are no legal implications.

Service / Operational Implications

3.5 To ensure that overpayment recovery remains priority as performance has increased significantly. Due to the transformation agenda currently being undertaken, it is difficult to know what implications this may have on the future ability to maintain current performance. This is part of the ongoing transformation agenda.

Customer / Equalities and Diversity Implications

- 3.6 Recovery is sought in conjunction with the Overpayment Recovery policy, which fully considers equality and diversity implications. Where necessary consideration will be given to writing off overpayments if they are deemed irrecoverable or not cost effective.

4. RISK MANAGEMENT

- 4.1 None

5. APPENDICES

6. BACKGROUND PAPERS

7. KEY

CAFT – Corporate Anti-Fraud Team

AUTHOR OF REPORT

Name: Marie Wall, Fraud Services Manager
email: m.wall@bromsgroveandredditch.gov.uk
Tel.: 01527 881240