

SFIS and Local Authorities - The Future of Fraud Investigation

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Background

- What is SFIS?
- Staff potentially affected by the transfer
- Funding



Impact on Local Authorities

- Housing & Council Tax Benefit Fraud will move to SFIS
- Local Authorities remain responsible for Council Tax Reduction Scheme investigation
- Housing Benefit & Council Tax Support administration (including calculating and recovering overpayments) will remain with Local Authorities
- SFIS require a Local Authority liaison resource
- A large amount of work will remain with the council



SFIS Transfer information

- Date of transfer will be 1st February 2016.
- LA have the power to decide who is in scope for transfer.
- Contracts will be transferred to DWP for all officers deemed in scope
- Reduction in Housing Benefit administration grant from DWP



Impact on Bromsgrove District Council

- Reduction in identified Housing Benefit overpayments
- No resource to protect Council Tax Reduction Scheme
- Increase in undetected fraud
- Loss of subsidy
- Increase in written off Housing Benefit overpayments
- Reduction in identified fraud and error related subsidy
- Reduction in Housing Benefit Administration Grant



At what cost?

- Audit Commission/TEICAFF recommendations – Protecting the Public Purse
- Fraud estimated against local government
- Fraud detected against local government
- Only 5% identified



Work that will not transfer

The following work will remain with the local authority:

- Compliance & Risk Based Verification
- Council Tax Reduction Scheme investigation
- HBMS referrals
- NFI matches
- Police requests for information / liaison



Areas for Investigation

- Council Tax Discounts
 - *Empty Properties*
 - *Long Term Empties & New Homes Bonus*
 - *Single Person Discounts*
 - *Other exemptions*
- Business Rates Avoidance
- Council Tax Penalties



Areas for Investigation

- . Future Expansion
 - *Procurement fraud*
 - *Employee fraud*
 - *Application fraud*
 - *Tenancy fraud*



Departmental considerations

1. Transfer all affected staff to SFIS on 1st Feb 2016
2. Retain all affected staff within the Local Authority and create a CAFS Counter Fraud Team responsible for investigation of fraud and a maximisation of tax base within Redditch and Bromsgrove.
3. Transfer some of the staff to SFIS



Final Question

Can we afford not to investigate?

