

**BENEFITS AND COMPLIANCE UPDATE – 2017/18**

Relevant Portfolio Holder	Cllr Brian Cooper
Portfolio Holder Consulted	Yes
Relevant Head of Service	Amanda Singleton, Head of Customer Access and Financial Support
Wards Affected	All Wards
Ward Councillor Consulted	N/A

**1. SUMMARY OF PROPOSALS**

This report provides an update on the work of the compliance team following the transfer of benefit fraud to the DWP Single Fraud Investigation Service in February 2016 and information regarding the work of the Benefits service.

**2. RECOMMENDATIONS**

**The Committee is asked to RESOLVE that subject to any comments, the report be noted.**

**3. KEY ISSUES**

**Financial Implications**

3.1 Direct Expenditure for Housing Benefit for 2017/18 was £15.8 million and for Council Tax Support, £3.8 million.

3.2 During the financial year Housing Benefit overpayments of £497,523 were identified. These are made up as follows:

Eligible error/fraud	£440,485
Local Authority Error / Admin Delay	£53,075
DWP Error	£3,963

3.3. Any overpayment that the customer has contributed to, for example by not reporting a change in their circumstances on time, is recorded as eligible error. Overpayments caused through mistakes made by staff are recorded as Local Authority error and administration delay overpayments arise when changes that have been reported cannot be processed immediately.

3.4 The following table sets out the total overpayments recovered or written off for financial year 17/18

Payments received	£386,363
Overpayments written off	£20,684

3.5 The work of the Compliance Team has resulted in increased income as follows.

- This year we have generated an extra £2,500,000 in Business Rates RV, and increased Business Rates billing by £2,000,000.
- We have also identified 24 properties missing off the Council Tax data base with a return of £67,000.
- And identified £23,000 in overpaid Housing Benefit and Council Tax Support through NFI referrals.

3.6 Housing Benefit Matching Service (HBMS) work managed by the Compliance Team resulted in the identification of overpayments of the following:

Housing Benefit:	£24,000
Council Tax Support:	£4,000

3.7 We have cleared 692 out of 697 NFI (National Fraud Initiative) referrals received. These have identified a further £23,000 worth of overpaid Housing Benefit and Council Tax Support.

3.8 As a result of the work to date we have been able to evidence financial benefits to the other major preceptor, who receive the majority of the Council Tax collected. We have negotiated a deal to receive an extra 10% of any additional income raised.

### **Legal Implications**

3.9 There are no specific legal implications.

### **Service/Operational Implications**

3.10 As at 1<sup>st</sup> April 2018 there were 5,200 live Housing Benefit and Council Tax Support claims in payment. Approximately half the caseload is made up of working age customers which results in a large number of changes on claims when people move in and out of work and claiming various benefits and tax credits.

3.11 Overpayments can only be classified as fraud after a customer has been prosecuted, accepts an administrative penalty or has made an admission of fraud during an interview under caution, however the investigation of benefit fraud is now the responsibility of the Department for Work and Pensions (DWP) and therefore our ability to recover overpayments through Fraud is reduced.

3.12 At the point of the transfer of responsibility various duties remained with the local authority. These include:

- Investigation of Council Tax Support claims

- Compliance / Verification of HB claims
- HBMS referrals
- National Fraud Initiative (NFI) data matching
- Police requests for information / liaison
- Support to DWP in respect of Housing Benefit fraud cases.

3.13 We took this as an opportunity to develop work in relation to non-Compliance issues around Council Tax and Business Rates.

**Business Rates**

The team began working on Business Rates from January 2017. We are currently looking to identify any businesses which have not registered for business rates or have expanded in size and not declared it to the council. The team has identified £2,500,000 in rateable value which has generated revenue of £2,000,000.

**Council Tax Discounts & Exemptions**

The team will resume work in this area for 2018/2019 after concentrating efforts on Business Rates due to this being an unexplored area. A small amount of Council Tax discount & exemption work was undertaken in 2017/18, creating revenue of £19,000.

**Council Tax missing properties**

The team identified 24 missing properties which resulted in additional Council Tax of £67,000. The team have created a procedure and working aid with the Revenues department to help reduce the possibility of missed properties.

**Pro-Active Business Rates**

The team have identified 2 undeclared hereditaments that have resulted in an increase of Business Rates revenue of £483,000 alone. This was proactive work that wouldn't have been achieved without the expertise of the Compliance Team.

**Customer / Equalities and Diversity Implications**

3.14 Identification of overpayments, or incorrectly claimed discounts and exemptions and the subsequent work to recover these debts can result in financial hardship; therefore consideration is given to this when agreeing repayment plans where additional support, such as money management advice, is provided where relevant.

4. **RISK MANAGEMENT**

The work of the compliance team is to reduce the risk of lost income to the authority. The results show that this work is both necessary and financially rewarding.

5. **APPENDICES**

None

6. **BACKGROUND PAPERS**

None

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