

Wolverhampton City Council

OPEN INFORMATION ITEM

Audit Committee

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DELIVERY

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Title/Subject Matter

BENEFIT FRAUD SANCTIONS REPORT 2011-2012

SUMMARY

That members of Audit Committee note the final position as at 31 March 2012 of the sanction results for the Benefit Fraud Investigation team.

1. PURPOSE OF REPORT

1.1 The purpose of this report is to update Councillors in accordance with section 1.5 of the current Sanctions Policy on the number of sanctions undertaken.

2. BACKGROUND

2.1 The Sanction Policy reflects Department for Work & Pensions (DWP) legislation and guidance as interpreted by benefits staff and authorised by Councillors.

2.2 There are three sanction types considered for benefit fraud offences in addition to the action taken to recover any overpaid benefit.

- Local Authority Caution – These are offered to offenders as an alternative to prosecution. If a caution is refused, prosecution is always considered. This sanction is typically given for smaller offences committed by first time offenders who have cooperated in the investigation.
- Administrative Penalty – These are also offered to offenders as an alternative to prosecution. Offenders are asked to pay a fine of 30% of the overpayment on top of the recovery. Offenders have 28 days to consider the offer and prosecution is always considered if the offer is refused.
- Prosecution – This strongest sanction is administered by Legal Services or those at DWP and then the Courts Service with the great majority heard by Magistrates. This sanction typically applies to larger offences or a very small number committed by repeat offenders. This deterrent includes a criminal record for those found guilty.

2.3 Sanctions are often administered jointly with the DWP - Fraud Investigation Service. This is because Housing & Council Tax Benefits are often dependant on or 'passported' by DWP benefits. Such cases are jointly investigated and sanctioned using DWP policies. This has proven efficient and has ensured the full extent of an offence is dealt with in one go. DWP supply their legal services free of charge representing a saving to the Council.

3 DETAILS OF SANCTIONS 2011-2012

3.1 The following table shows a breakdown of the number of sanctions applied during the year, broken down by type of sanction as described above.

	Caution	Administrative Penalty	Prosecution	Total
WCC	9	24	15	48
Joint with DWP	45	7	57	109
Total	54	31	72	157

3.2 Prosecution is a significant proportion of the total 157 sanctions last year. This is mainly due to the high value of overpayments derived from the combination of WCC and DWP overpayment figures. Large overpayments also usually reflect long periods of fraud that in turn show a determined failure to apply for benefit truthfully or report changes promptly.

- 3.3 Prosecutions resulted in £6852 of fines in addition to overpayment recovery action. The most common sentences were Community Punishment Orders, unpaid work in the community, totaling 5120 hours. We had 11 Curfew Orders, restricting people to their home during the evening and night time. One person went to prison for 9 months. A further 12 people had prison sentences of 6 weeks to 12 months suspended for between 12 and 24 months.
- 3.4 In the same period 1278 referrals were received and examined. 648 were accepted for investigation and 722 investigations completed. 157 sanctions represent 21.7% of investigations completed.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no significant financial implications for the Council arising from this report although stopping benefit that has been fraudulently claimed is a saving to the wider public purse.
[DM/27112012/Y]

5. LEGAL IMPLICATIONS

- 5.1 There are no new direct legal implications other than as disclosed in the body of this report.
[MW/27112012/B]

6. EQUAL OPPORTUNITIES IMPLICATIONS

- 6.1 There are no direct equal opportunities implications arising from this report.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 There are no direct environmental implications arising from this report.

8. SCHEDULE OF BACKGROUND PAPERS

Sanctions Policy – Benefit Fraud