



Audit Committee

16 December 2013

Report title	Benefit Fraud Sanctions 2012/13	
Cabinet member with lead responsibility	Councillor Paul Sweet Governance and Performance	
Accountable director	Keith Ireland, Delivery	
Originating service	Audit	
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Report to be/has been considered by	Not applicable	

Recommendations for noting:
The Committee is asked to note:

1. The final position as at 31 March 2013 of the sanction results for the Benefit Fraud Investigation team.

1.0 Purpose

1.1 The purpose of this report is to update Councillors in accordance with the number of sanctions undertaken during 2012/13.

2.0 Background

2.1 The sanction policy reflects Department for Work and 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% or 50% of the overpayment on top of the recovery. Offenders have 14 or 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.

3.0 Details of Sanctions 2012/13

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

	Caution	Administrative Penalty	Prosecution	Total
WCC	5	17	24	46
Joint with DWP	23	4	41	68
Total	28	21	65	114

3.2 A significant proportion of the 114 sanctions last year resulted in a prosecution (65). This was mainly due to the high value of the overpayments. Large overpayments also usually reflect longer periods of fraud, which can demonstrate a determined failure to apply for benefit truthfully, or to report changes in circumstances promptly.

3.3 In addition to overpayment recovery action, the most common sentences were community punishment orders - unpaid work in the community, totaling 2,600 hours. There were also five curfew orders (restricting people to their home during the evening and night time) three people sentenced to prison for 10 months, 6 months and 10 weeks, and a further nine people with prison sentences of 8 weeks to 12 months suspended for between 12 and 24 months.

4.0 Financial implications

4.1 The value of all sanction based overpayments was as follows:

	Housing Benefit £000	Council Tax Benefit £000	Total £000
Cautions	14	6	20
Administrative Penalties	19	10	29
Prosecutions	300	82	382
Total	333	98	431

4.2 The value of all sanction based overpayments in 2012/13 was £431,000 and where possible appropriate action is being taken to recover these overpayments.
(CN/26112013/C)

5.0 Legal implications

5.1 There are no legal implications arising from this report (JH/12112013/D).

6.0 Equalities implications

6.1 There are no equalities implications arising from this report.

7.0 Environmental implications

7.1 There are no environmental implications arising from this report.

8.0 Human resources implications

8.1 There are no human resources implications arising from this report.

9.0 Schedule of background papers - None