



Audit Committee

15 December 2014

Report title	Benefit Fraud Sanctions 2013/14	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Accountable director	Mark Taylor	
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:

The final position as at 31 March 2014 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 2013/14.

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 2013/14

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	6	8	9	23
Joint with DWP	0	10	44	54
Total	6	18	53	77

3.2 A significant proportion of the 77 sanctions last year resulted in a prosecution (53). 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 1350 hours. There were also seven curfew orders (restricting people to their home during the evening and night time) one person sentenced to prison for 18 months and a further eleven people with prison sentences of 3 weeks to 12 months suspended for between 12 and 24 months.

4.0 Financial implications

4.1 The value of benefit overpayments subject to sanctions in 2013/14 is identified in the table below:

	Housing Benefit £000	Council Tax Reduction £000	Total £000
Cautions	2	0	2
Administrative Penalties	12	6	18
Prosecutions	227	57	284
Total	241	63	304

4.2 Appropriate action is taken to recover these overpayments wherever possible. [GE/28112014/J]

5.0 Legal implications

5.1 There are no legal implications arising from this report (KO/27112014/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 Corporate landlord implications

9.1 There are no corporate landlord implications arising from this report.

10.0 Schedule of background papers - None