

FRAUD SECTION MONITORING REPORT: THIRD QUARTER 2006/07**LEAD OFFICER:** Sue Borwick**AUTHOR:** Kate Dowle**1.0 FRAUD WORK IN THE THIRD QUARTER 2006/07****1.1 Caseload investigated 1st October to 31st December 2006**

Number of cases referred:	94
Number of cases accepted for investigation:	71
Number of cases closed non-proven:	74
Number of cases summonsed for prosecution:	2
Number of successful prosecutions:	1
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	1
Number of Cautions given:	3

2.0 PROGRESS AGAINST TARGETS

- 2.1 The DWP set an annual target based on the Benefits live caseload. To enable comparisons with other Local Authorities, these targets are set per 1000 caseload. In 2006/07, the annual target for the number of investigations carried out is 41.2 per 1000 caseload. Based on the third quarter's Benefits caseload of 6,804, this is a target of 281 investigations for the year i.e. 70 per quarter.
- 2.2 The target for sanctions (successful prosecutions, Administrative Penalties, Cautions) is 4 per 1000 caseload. This means an annual target of 27.2 sanctions i.e. 7 per quarter. These sanctions no longer generate incentive funding as the SAFE (Security against Fraud and Error) scheme has been abolished. However, Local Authorities are still expected to conduct robust investigations and reach these targets for investigations and sanctions.
- 2.3 We have 3 Fraud Investigation Officers, including the team leader.

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2.4 For the third quarter to 31 December we have achieved: -

	<u>Target</u>	<u>Actual</u>
No. of investigations	70	81
No. of sanctions	7	5

Cumulatively the position is:

	<u>3 Quarters</u>	<u>Actual</u>	<u>Full year</u>
	<u>Target</u>		<u>Target</u>
No. of investigations	210	199	281
No. of sanctions	21	18	28

- 2.5 The number of fraud visits is reported with the Interventions figures by Karen Corby, the Revenues and Benefits Manager. This Best Value Performance Indicator (BVPI) will not meet the target, as the Fraud section's policy is to invite claimants in for interview, rather than to do home visits, unless a home visit is necessary to provide evidence of fraud. This is more efficient in terms of staff time, there is less risk re health and safety for staff and we can give better customer care by giving appointments and having access to information on the Benefits system if they have a query. If the claimant is unwilling or unable to come in for interview, a home visit will always be arranged. Unfortunately carrying out interviews at the Council offices does not fall within the definition of "visits" and they cannot be counted towards this BVPI. [The Department of Works & Pensions (DWP) have recognised this anomaly and the definition is being changed for 2007/08 to include all activity involved which can contribute towards "intervention".]
- 2.6 Interventions visits (home visits to check claim details by Benefits visiting officers) are also included in this target, so the number of fraud visits are a contributory factor in meeting this PI but do not account for the entire performance in this area. The DWP have taken on board Local Authority concerns about having to carry out visits and have revised the 2006/07 annual target. In total (Fraud and Benefits sections), we have to conduct 1030 visits. The position as at 31 December is - 942 visits. This represents 91.46% of the annual target. We will need to complete a further 88 visits in the last quarter, to meet the annual target.
- 2.7 There was 1 successful prosecution in the third quarter. 2 further cases were summonsed. The results of these 2 cases will be reported with figures for the final quarter.
- 2.8 The revised Sanctions Policy has now been approved and is being implemented.

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- 2.9 Introductory Fraud Awareness presentations have been delivered to Copeland Direct staff and new benefits staff.

3.0 STAFFING ISSUES

- 3.1 The section is now fully staffed with a Team Leader, 2 investigators and an Admin Support Officer. The new Admin Support Officer started specialist fraud training, organised by the DWP, in December. This will enable more support to be given to the investigators.

- 3.2 Prosecutions are being handled by our Legal Section.

4.0 CURRENT FRAUD WORK

- 4.1 As at 31/12/06, the Fraud Section had a caseload of 158 live investigations.
- 4.2 Feedback from the National Fraud Initiative 2006/07 is due by the end of January 2007. This will provide a bulk load of referrals for assessment and potential investigation.
- 4.3 Presentations to raise awareness of identity fraud are being given to Copeland Direct staff and to new Benefits staff. This will include a session on false and counterfeit documents.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 Fraud work is progressing in line with the business plan. The number of investigations undertaken and closed exceeded the target for the quarter, bringing the total for the year to date closer to the target than in previous quarters. Sanctions are also now only slightly below target for the year to date. However, the results of current investigations will probably not be seen until the first quarter of 2007/08.
- 5.2 Members are recommended to note this report.

Officers Consulted: Corporate Team