

Investigating CTRS Fraud & Partnership Working with DWP



Outline

- **Investigating Council Tax Reduction Scheme Fraud**
 - **The Legislative framework**
- **Partnership Working with DWP**

Legislative Framework

- **Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 (SI 501)**
 - CTRS specific criminal offences
 - Powers to require information
 - Penalty as an alternative to prosecution
 - Fixed rate Civil Penalty

CTRS Offences

- **False representations for obtaining a reduction**
 - A person for the purpose of obtaining a reduction under a council tax reduction scheme
 - makes a statement or representation
 - provides, or knowingly causes or knowingly allows to be provided, any false document or information
- **Summary offence**
 - On conviction maximum level 4 fine (£2,500), imprisonment for a term not exceeding 3 months, or both.

CTRS Offences (2)

➤ Failure notify a change of circumstances

- There has been a change of circumstances affecting the entitlement to, or the amount of persons reduction
- failure can be by the claimant, a third party responsible for claim or someone who knowingly causes or allows prompt notification of a change

➤ Summary offence

- On conviction maximum level 4 fine (£2,500), imprisonment for a term not exceeding 3 months, or both.

CTRS Offences (3)

➤ Offences by bodies corporate

- Where an offence under these Regulations has been committed by a body corporate and
- It is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or other similar officer, they shall be liable to be prosecuted.

Powers to require information

- **Authorities can appoint authorised officers -**
 - **Section 2 to obtain information from**
 - **Employers**
 - **Contractors, Agencies**
 - **Self-employed people**
 - **Pension providers**
 - **Local authority licensing**

Powers to require information

➤ Authorities can appoint authorised officers (NAFN)-

➤ Section 3 to obtain information from

- a) any bank;
- b) the Director of Savings appointed under section 1(1) of the National Debt Act 1972(a);
- c) Providers of credit to members of the public;
- d) any insurer;
- e) persons / businesses involved in transferring money from place to place;
- f) any water undertaker or sewerage undertaker;
- g) any holder of a licence under s7/7A(1) of the Gas Act 1986(a) to convey gas
- h) any person who (within the meaning of the Electricity Act 1989) distributes or supplies electricity;

Powers to require information

➤ **Authorities can appoint authorised officers -**

➤ **Section 3 to obtain information from**

- i) any person conducting any educational establishment or institution;
- j) any body the principal activity is to provide services in connection with admissions to educational establishments or institutions;
- k) the Student Loans Company; or
- l) any servant or agent of any person mentioned in subparagraphs (a) to (k).

➤ **Offence to Delay, obstruct, refuse or fail without reasonable excuse a request from an authorised officer**

- On summary conviction to a fine not exceeding level 3 (£1,000); continued refusal up to £40 for each day

Civil Penalties

➤ **Penalty as an alternative to prosecution**

- Offered only where there are grounds for instituting proceedings
- Penalty 50% of the amount of the excess reduction (rounded down to the nearest whole penny), subject to—
 - (a) a minimum amount of £100; and
 - (b) a maximum amount of £1000
- 14 days cooling off period from date accepted

Fixed rate Civil Penalty

- A billing authority may impose a penalty of £70
- **Penalties for incorrect statements**
 - a person **negligently** makes an incorrect statement or representation, or negligently gives incorrect information or evidence in or in connection with an application for CTRS
- **Penalties for failing to notify a change of circumstances**
 - a person **without reasonable excuse**, fails to give a prompt notification of a relevant change of circumstances

Partnership Working with DWP



Partnership Working with DWP

- Joint Working Feasibility Study, jointly commissioned by SoS for DWP and the Department for Communities and Local Government.

Joint Working Strategy Group

Feasibility Study Report

- Initially focussed on establishing cross-government joint working between Local Authorities & DWP Fraud and Error Service
- Looking at fraud cases involving both Social Security and non-Social Security benefits.
- July 2015, Ministers from DWP & DCLG agreed to test an approach and to develop the data sharing protocols.



Joint Working Strategy Group

Feasibility Study Report

- DWP have no remit to investigate non-benefit fraud
- After reviewing legal implications of joint working a list of offence types was drawn up and listed in 2 columns in order of
 - Appetite for Investigation;
 - Availability of current data sharing gateway;
 - Natural overlap and common denominators between these frauds and social security benefit offences.

Column 1 Non-social security frauds agreed as suitable for <u>collaborative joint</u> investigations by JWG	Column 2 Non- social security frauds agreed by JWG as in scope but not suitable, at present, for <u>collaborative joint</u> investigation.
Council Tax Reduction (CTR) Scheme	Applications which include Blue Badge, Parking Permits and Concessionary Travel Passes.
Council Tax related fraud including Council Tax exemptions and Single Person Discount	Grants including Disabled Facilities Grant
Welfare Support (formerly Social Fund) in place until April 2015	Procurement and Contractual post procurement
Housing Tenancies Fraud including Right to Buy	Business Rate evasion
Social Care including Direct Payments and Care Home Fees	Employee Fraud
Discretionary Housing Benefit Payments (DHP)	Elected Member Fraud
	Financial Fraud
	Theft from the LA

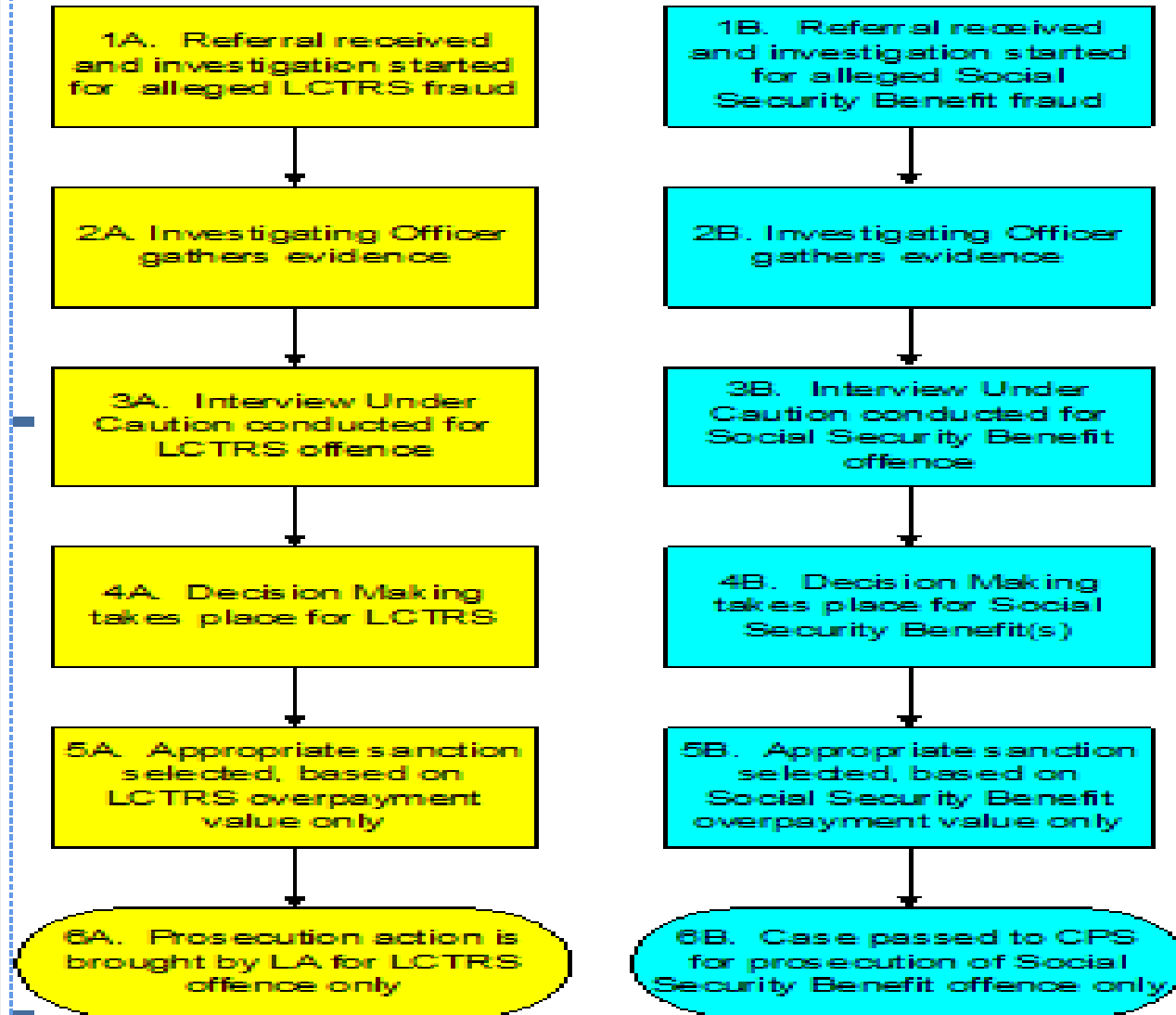
Joint Working in Fraud Investigation

- A two-party joint working model is the recommended option.
- Concurrent investigations running, with data sharing between both
- A single Interview Under Caution (IUC) and prosecution.

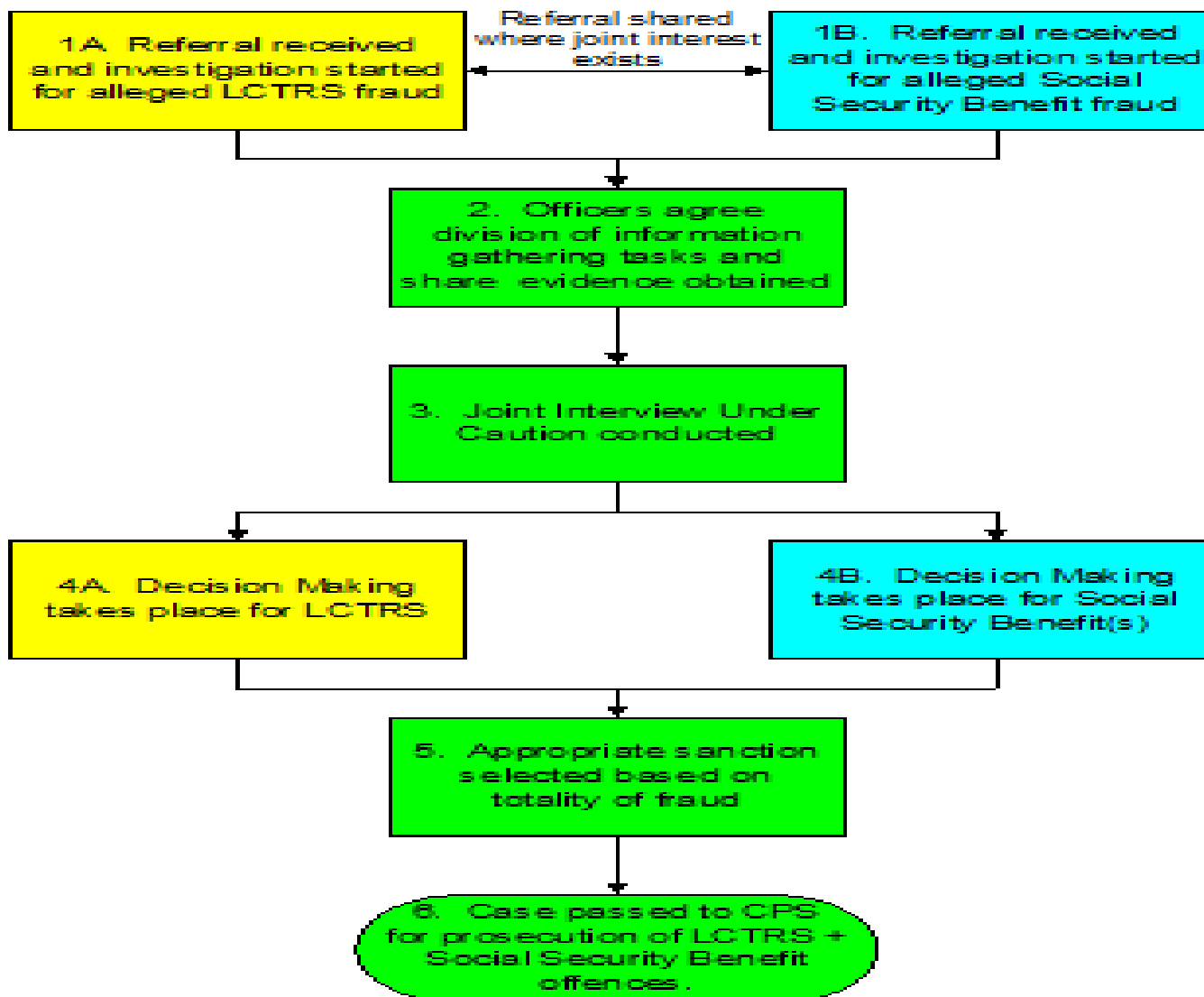
Joint Working in Fraud Investigation

- Codes of practice governing conduct joint investigations (interview and file build), addressing:
 - the powers under which each investigator is investigating and the parameters of their powers;
 - information sharing;
 - the information given to the suspect around the process and
 - the reasons for joint investigation and potential prosecution of the suspect's case.
- Notifying suspects prior to the interview and at the start of the interview that the interview will be conducted by officers from both organisations.

Existing process



Proposed Joint Investigation Model



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Joint Working in Fraud Investigation

- Pilots due to go live 16 November 2015 initially expected to last for 6 months
- 5 Local Authorities are confirmed:
 - London Borough of Richmond Upon Thames with The Royal Borough of Kingston upon Thames (South West London Partnership)
 - North Hertfordshire District Council and East Hertfordshire Council (operating within Hertfordshire County Council Shared Anti-Fraud Service)
 - Bradford Metropolitan Council
 - West Dunbartonshire Council
 - Swansea City Council



Outcomes

- Investigation only of allegations of fraud involving both Council Tax Reduction Scheme (CTRS) and national administered welfare benefits
- **Successfully prosecuted LCTRS and DWP cases** will be sufficient proof of feasibility.
- Prove whether Joint Working is efficient and **whether savings can be realised.**

Partnership Working with DWP

- **The future?**
- **Other areas?**
- **Drivers?**
- **Resources?**

Thank you

