

Fraud and Compliance Team Update 2022-23

Timetable	
Meeting	Date
Audit, Governance and Standards Committee	13 November 2023

Will this be a Key Decision?	Not applicable
Urgency	Not Applicable
Final Decision-Maker	Audit Governance and Standards Committee
Lead Head of Service	Georgia Hawkes Mid Kent Services Director
Lead Officer and Report Author	Zoe Kent, Interim Head of Mid Kent Revenues and Benefits Partnership
Classification	Public
Wards affected	All

Executive Summary

To update the Committee on work undertaken by the Revenues and Benefits Fraud and Compliance team during the financial year 2022-23.

Purpose of Report

Noting

This report makes the following recommendations to this Committee:

1. That the contents of the report are noted.

Fraud and Compliance Team Update 2022-23

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect the achievement of the corporate priorities.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Cross Cutting Objectives	None	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Risk Management	This report is presented for information only and has no risk management implications.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Financial	The Fraud & Compliance team receives funding from Kent County Council of £150,000 (on expected 3:1 savings). The cost to Maidstone Borough Council for the service is £46,284. This was partly funded by the household support grant (for the admin) £7,702.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Staffing	There are no changes to staffing proposed in this report.	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Legal	It is a function of the Audit, Governance and Standards Committee to monitor the effectiveness of the Council's counter-fraud and corruption strategy. This report provides an update on the work undertaken by the Revenues and Benefits	Zoe Kent Interim Head of Mid Kent Revenues and Benefits

	<p>Fraud & Compliance team.</p> <p>There is no statutory duty to report regularly to committee on the team's performance. However, under Section 3 of the Local Government Act 1999 (as amended) a best value authority has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency, and effectiveness. Reports on the team's performance assist in demonstrating best value and compliance with the statutory duty.</p>	Partnership
Information Governance	The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council processes.	Information Governance Team
Equalities	The report is for noting and contains no recommendations that would propose a change in service, therefore no equalities impact assessment will be required.	Equalities and Communities Officer
Public Health	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Crime and Disorder	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Procurement	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits Partnership
Biodiversity and Climate Change	No impact	Zoe Kent Interim Head of Mid Kent Revenues and Benefits

		Partnership
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2. INTRODUCTION AND BACKGROUND

- 2.1 The purpose of this report is to advise the Committee on the work undertaken by the Fraud and Compliance team within the Mid Kent Revenues and Benefits Partnership.
- 2.2 In 2016 the responsibility for investigating Housing Benefit fraud was moved from the Council's Housing Benefit service to the Department for Works and Pensions (DWP).
- 2.3 The Council took the decision to continue with a shared fraud team along with Swale and Tunbridge Wells borough councils, as part of Mid Kent Services, using the team to investigate fraud and error within Council Tax and Business Rates.
- 2.4 The localisation of Council Tax Support and reliance on Business Rates as an income for the authority changed the financial risk to the Council and preceptors. Whilst there had been some activity to address the risk associated with single person discounts for Council Tax, the service had historically focused its effort on Housing Benefit.
- 2.5 The transfer of the Housing Benefit fraud function to the DWP created both a risk and an opportunity to the Council. With the administration of Housing Benefit and Council Tax Support being directly linked, the Council had in effect been able to 'police' the two systems at the same time.
- 2.6 The change also created an opportunity in releasing a team of experienced specialist staff, with good local knowledge, to both manage the ongoing risk within Council Tax Support and deliver capacity to expand their work into other areas both within the Council Tax and Business Rates systems.
- 2.7 With the value of discounts and exemptions estimated to be in excess of £17 million and the risk of customer fraud high, agreement was reached with the support of the precepting authorities to fund the current team on the understanding that there would be a suitable return on investment.
- 2.8 The agreed business case set out a method of sharing the cost and projected savings in line with the value to each partner based on their level of precept.
- 2.9 The focus in 2020-21 changed to Covid-19. The majority of compliance reviews were halted, and the team were moved to helping with the applications for Business Rates Grants and Test and Trace payments. This continued through 2021-22 and 2022-23 as the team were used to help with Energy Rebate and Household Support Fund payments.
- 2.10 In 2018-19 penalties were introduced where those residents who do not report changes or who fraudulently make claims for discounts are issued with a penalty of £70.

- 2.11 In conjunction with the Kent Intelligence Network (KIN) software was partly funded by Kent County Council (KCC) with a view to sharing information with other authorities in Kent to help reduce fraud and error in the county.
- 2.12 KCC has partly funded a debtor tracing tool (Retriever) which is used to trace the whereabouts of Council Taxpayers who have left their properties owing amounts of Council Tax. This has been successful with over 426 Council Tax debtors being traced so we can contact them at their current address to recover monies due.
- 2.13 Table 1 shows a summary of savings generated for Maidstone by the team in 2022-23.

Table 1

Single Person Discount	£20,748
Housing Benefit Matching Service	£16,082
KIN new properties finder	£41,674
KIN – Destin removal of Small Business Rate Relief	£16,442
New Homes Bonus – properties confirmed as occupied	£379,400
Penalties	£630
Retriever	£385,681
Total	£860,657

3. AVAILABLE OPTIONS

- 3.1 This report is presented for information only.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 This report is presented for information only.

5. RISK

- 5.1 This report is presented for information only and has no risk management implications.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 None

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 None

8. REPORT APPENDICES

None

9. BACKGROUND PAPERS