

**Watford Borough Council  
Benefit Fraud Investigation Team**

**Business Plan  
2007-2008**

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# Introduction

## Overview

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It is estimated that in 2007/2008, Watford Borough Council will administer some £25 million in Housing and Council Tax Benefits. According to statistical research undertaken by the Department of Work and Pensions (DWP) almost £1.3 million of this could be lost due to fraud and error.

Watford, as with all other Local Authorities has a responsibility and statutory duty under Section 151 of the Local Government Act 1972 to implement effective measures to 'protect the public purse'

It is the Council's responsibility to introduce effective and wide ranging financial controls to both prevent and detect fraud and error in the Housing and Council Tax Benefit system administered by the authority on behalf of central government

## Purpose

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The purpose of this document is to set out the goals and objectives for Watford Borough Council's Fraud Investigation Team. It details the way in which the team intends to grow and develop and provides a bench mark against which both team and individual progress can be measured.

Changes have occurred during the past year for a variety of reasons not least being the inspection by the Benefit Fraud Inspectorate (BFI) and the team has now become a dedicated investigation function having moved out from under the management of the Revenues and Benefits Service and is now part of the Audit team moving towards a more corporate role and responsibilities in terms of fraud investigation.

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# The Business – Fraud Investigation

## Core Objectives – The Vision for Watford

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The overall object for the coming year is to maintain and build on the improvements that are currently being implemented, acknowledging the comments made by the BFI and implementing the required changes in line with the BFI report. The team will ensure that the changes become part of core business and accepted best practice in the new financial year.

In addition to this the aim is to bring all members of the investigation team on through individual, personal and team development so that they are better equipped to manage the investigative function of the authority.

The achievement of these objectives will also embrace the objectives held by the Council both now and in the future.

1. **An efficient, effective, value for money Council** – if the council is seen to be investigating allegations of fraud and taking effective and positive action against any persons who commit benefit and other types of fraud then the residents of Watford can be confident in that the council is fulfilling its commitment to protect the public purse, as outlined within the Local Government Act 1972.
2. **A safer town-** as the public and the small element of the boroughs population who commit fraud become aware that this authority takes a robust line on those who choose to cheat the council and its residents, that this behaviour is not tolerated and firm sanctions will be enforced then it is hoped that this action will create a safer environment for the general population as those that choose to flout the law and the benefits system realise that such actions will not be tolerated within Watford.
3. **A good town for business skills and learning** – as the impact of the councils approach to fraud is seen by the public it is hoped that this will enhance the existing initiatives of the authority and encourage investment in a town where fraud is not tolerated
4. **A well informed community where everyone can contribute** – the fraud investigation team have always acknowledged the benefits of publicity and will continue to advertise their successes that can be seen by the community as a deterrent to those who are or

those who may consider defrauding the Council and the community within Watford. The public can play a valuable role in assisting the Council.

- 5. A town to be proud of** – an active counter fraud culture within Watford, and the knowledge that Fraud of any type will not be tolerated by this authority will promote a positive attitude amongst its residents.

In delivering these objectives, the Council will seek to avoid deterring genuine claimants from applying for benefits to which they are entitled.

# Overall Strategy

## **Sanctions Policy**

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It is essential that a strong and fair policy exists to govern the way in which persons found to be defrauding the authority are treated, and that all the necessary factors are taken into account so that an unbiased and objective decision can be made.

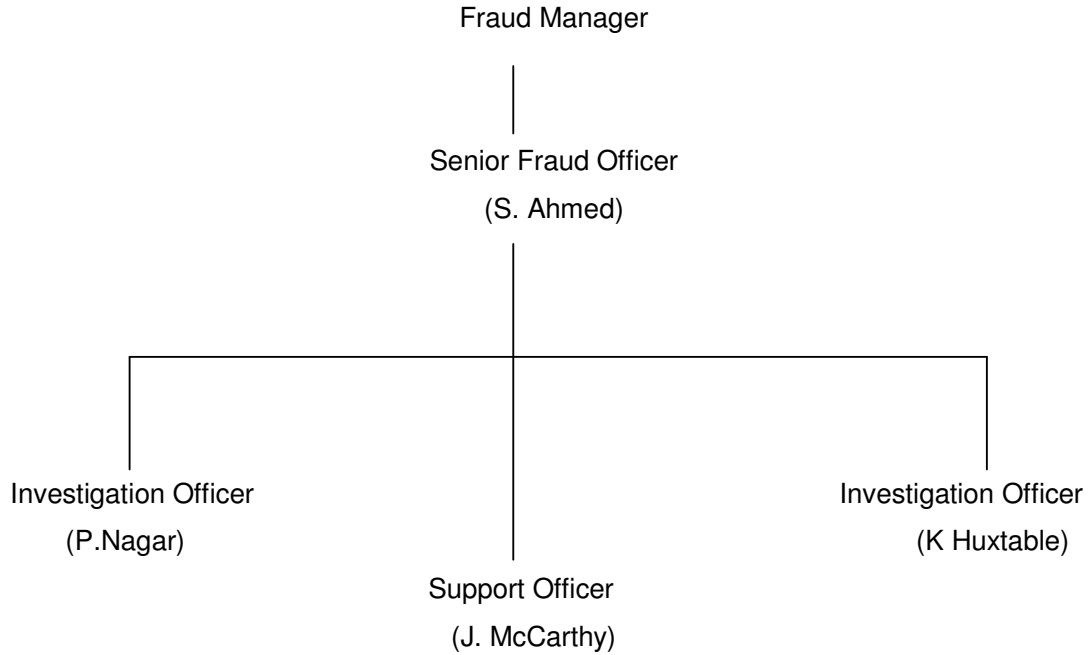
Whilst there is guidance from the DWP, which provides specific guidance in monetary terms about when a particular type of sanction should be applied, it is essential that a more localised policy exists and reflects the local issues and frauds that occur in this area. To that end each case will be treated on its own merit.

The Sanctions policy has recently been up dated and agreed by Council and sets a framework in which to operate, the guidelines for which sanctions are appropriate and in what circumstances.

## Organisation

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The Fraud Investigation team, when fully complemented consists of:



The team is currently under staffed in terms of a permanent Manager but this role is being undertaken by an agency officer on an interim basis whilst a permanent replacement is sought.

Budgets 2007 - 2008

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	<b>Value</b>
Salaries	£243,140.00
Transport	£12,820.00
Supplies and Services	£4,440.00
Legal Fees	£25,000.00
Total	£285,400.00



# Plans to Achieve the Strategy

## Joint Working / Shared Services

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Joint Working is an area that has never previously been fully explored and the intention is to exploit this and enhance the existing links with not only the Job Centre Plus (JCP) and the newly formed DWP Fraud Investigation Service (FIS), but other organisations and departments both within and outside of the Local Authority including the other authorities within Hertfordshire.

New legislation is currently going through Parliament in the form of the Welfare Reform Bill and this will set the legal framework to allow Local Authorities to prosecute offences against DWP administered benefits.

Good relations already exist between the Fraud Investigation Service (FIS) and Watford's investigation team and the aim is to further that relationship with specific joint working exercises as has recently been undertaken with Operation Clean Sweep (check on employment agencies).

Operation Clean Sweep was an exercise undertaken in conjunction with not only FIS but also Three Rivers Council and Dacorum Council and as with FIS it is the intention to undertake several more joint exercises. In view of the collaboration with the other LA's , Dacorum especially, a joint procurement exercise was completed in respect of the Case Management System and Dacorum has agreed to purchase the same system as Watford which will facilitate both joint working now and shared services at a later date.

## Pro Active Investigations

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The investigation team has predominantly only ever been reactive to the instances of fraud in Watford and has not widely pursued pro active means or initiatives to identify or target fraud.

By way of addressing this, each investigator will be given a target within their 'Performance Review and Development' meeting to carry out at least one pro active investigation during the coming year.

This will have the added bonus of implementing drives where they have been lacking in the past and also aiding the development of the officer.

Initiatives will be selected from a combination of analysis, local knowledge and historical information, examples of previous successful initiatives include:

- ◆ Job Seekers Allowance (Contribution Based) and
- ◆ Non Working Age claims with no declared Occupational Pension

As the investigation team is now taking on a corporate responsibility then it is important that this new role is developed. It is anticipated that the team will collectively undertake at least two further initiatives linked to the integrity of the council and its employees. As it is a new role for the officers then it is planned that these will be very specific, controllable and manageable.

## Data Matching Initiatives

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Housing Benefit Matching Service (HBMS) and the National Fraud Initiative (NFI) remain the primary data matching activities that the council will be committed to, however, it is also intended to undertake more localised exercises that will both fulfil our commitment and responsibilities to 'protect the public purse' but also satisfy the BFI recommendations.

One such exercise could be the regular matching of Payroll details to HB / CTB Benefits.

## Staff Training

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All active investigation staff are PINS accredited, and this training has been supplemented by the Bond Solon BTec in Fraud Investigation.

The team would however benefit from additional and periodic legislation updates as well as basic Microsoft Office™ application training, specifically, Word™ and Excel™. This will enable them to produce better quality reports and to undertake analysis of the data from the Case Management system, and other data such as the HBMS and Risk analysis data.

When the issues surrounding case load and outstanding cases have been resolved then a refresher on surveillance would be useful.

## Monitoring

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To ensure that the plan is effective, adhered to, targets and goals are being achieved, quarterly meetings will be held between the Fraud Manager, Senior Investigation Officer and the Audit Manager to monitor both performance and completed activity against this report.

In addition to this 'Strategic Monitoring, ' monitoring will also be undertaken at individual case level in tandem with the reviews of the case holdings during the case meetings and reviews carried out by the Senior Investigator and the Fraud Manager. These will include a detailed review of the way in which the case is being progressed to ensure that there are no breaches of legislation or delays in the case.

Again at an individual level QB50 note books will be inspected to ensure that information is being recorded both timely and in the correct manner.

The quality and standard of interviews will also be monitored with the introduction of a formal evaluation document to assess the standard of the Interview under Caution. This evaluation has now been coupled with the introduction of a post interview evaluation which is issued to the person who has been interview.

All feedback will be delivered to the officers in a timely manner and will also contribute to the Appraisal procedure.

## Targets

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The majority of the targets have now been removed by the Government for Fraud investigation however the main bench mark that does remain is the number of sanctions achieved. The 2006/07 target was a 'team target' of 27 sanctions.

This target reflected the number of sanctions required to achieve a CPA score of 4, based on the number of persons receiving benefit.

This year however following the improvements and changes that have been implemented it has been decided that not only would the target be increased but that the officers would each have a personal target as well.

The planned team target is 54 sanctions with this being split equally between the three officers. In addition to this the officers will also have an object to undertake and manage one pro active exercise in the coming year.

# Infrastructure

## Equipment

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The quality of the computer hardware on the section is relatively good having been replaced recently. However, there has been a need for a dedicated Fraud Case Management system as outlined in the recent BFI report. At the time of writing this report such a system has been ordered and it is hoped that this will be installed and staff training in its use ready for the coming financial year.

Whist the case management system is a major and much needed investment for the investigation team further data matching systems are being sought which will allow the team to undertake localised initiatives that will enhance those carried out by the Audit Commission and the Housing Benefit Matching Services. It will also allow far more control over these exercises and will facilitate 'Corporate' investigations without the reliance on the Audit Commission's initiatives

## Web Site

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The website is the team's main contact medium with the general public and currently this is far from utilised effectively as it should. By the end of the year it is essential that this site has been developed to advise the general public of the activities of the team, to show that the authority is committed to tackling benefit fraud.

Promoting the success of the team is very important and therefore all previous sanctions (Administrative Penalties, Cautions and Prosecutions) will be recorded on the site.

The means to refer suspected cases of fraud will be available as will the leaflets that will be drafted for inclusion with the Interview Under Caution and Sanction interviews.

