

Anti-Fraud and Corruption Plan 2020-2021

Corporate Resources
September 2020

1.0 Introduction

This document sets out the Council's Anti-Fraud and Corruption Plan for the 2020-2021 financial year.

South Derbyshire District Council works in partnership with Derby City Council to provide a team of dedicated counter fraud professionals to the Council. This team works to prevent fraud from entering the system by carrying out fraud investigation work, advising on new and revised procedures to help prevent fraud, and embedding fraud awareness across the Council.

Ordinarily this document would have been presented for sign-off in readiness for the new contract term, however due to the COVID-19 pandemic, this plan now reflects the work the partnership has delivered from 1 April 2020, and will continue to deliver until 31 March 2021.

The team carries out investigations of corporate, benefit and tenancy related fraud, including right to buy and works to identify losses to be recovered either directly or in accordance with the Proceeds of Crime Act.

The team also carries out the annual regulatory data matching checks as required by the National Fraud Initiative (NFI) that results from information uploaded in respect of the following areas of work by officers of South Derbyshire Council.

- Payroll
- Creditors
- Housing waiting list
- Right to buy
- Licences
- Electoral registration/council tax
- Single persons discount - council tax

The work of the team is supported by the work of teams across the organisation who also deliver anti-fraud activities in their service areas – for example housing.

2.0 Objectives and Targets

The main objectives are to:

- Maximise the recovery of fraudulent payments and value for money savings, and work to ensure their value exceeds the in-year budgeted costs of the Counter Fraud Partnership to the Council.
- Instil routine fraud checking as part of the Council's operational processes revenues and benefits, housing, Right to Buy and wider service areas.
- Embed fraud awareness as part of the competency framework for employees.
- Continue joint working arrangements with the Department for Work and Pensions.
- Minimise the potential for misuse of supported accommodation claim arrangements and funding by providers and related financial organisations.
- Report performance on a quarterly basis to the Head of Customer Services and the Strategic Director (Corporate Services).

3.0 Work Programme



The Anti-Fraud and Corruption Plan follows a four-strand approach, which has direct links to the Internal Audit Plan.

Preventing fraud

This strand is about developing better controls and procedures and creating an improved anti-fraud culture across key risk areas, such as right to buy and supported accommodation.

Detecting and investigating fraud

This strand is about detecting fraud both before and after it has taken place. Major focuses include housing rentals, benefits and council tax and business rates discounts and exemptions, particularly where cross boundary eligibility may occur. It also includes use of technology and information including external data and data matching.

Understanding emerging fraud risks

This strand is about working with teams to better understand and minimise their exposure to fraud risks, as well as working in partnership to ensure emerging risks are well understood and planned for.

Raising fraud awareness

This strand is preventing fraud through creating a fraud aware culture, through a programme of training and awareness raising within the staff body and wider district. As appropriate this strand also focuses on raising the awareness of successfully prosecuted fraud to highlight the consequences of fraudulent activity and provide a deterrent.

Preventing fraud

| Activity | What the team will deliver in 2020-2021 |
|---|---|
| Improve internal processes to ensure fraud prevention is embedded in operating procedures. | Support teams to review processes and promote improved controls and highlight any new emerging key risk areas. |
| Supported accommodation extra checks | <p>When a Housing Benefit claimant moves into supported housing, they are exempt from the benefits cap and under occupation rules as supported housing is considered exempt accommodation¹. The Council normally receives 100% subsidy from central government for correctly paid Housing Benefit. But in exempt accommodation the rate is sometimes reduced to 60%, or even zero in some circumstances. There is an emerging concern across Derbyshire that legal loopholes in legislation are allowing less scrupulous landlords to develop supported housing, set high housing/rent costs that are way above market rate, and then receive significant levels of Housing Benefit in excess of the costs needed to run the housing/provide additional support. To respond to this, and in partnership with Derby City Fraud Team, the team at South Derbyshire District Council are putting in place the following measures:</p> <ul style="list-style-type: none"> • Making the supported housing application process more robust to ensure all support charges are realistic, verifiable and comparable to other similar organisations. • Checking the legitimacy of some lease agreements with the Council's legal department. • Joining a countywide discussion with neighbouring Derbyshire authorities, to learn from each other, to consider/adopt best practice and to gain representation in discussions with DWP. • Attending training led by top practitioners in this field to adopt best practice and ensure the Council maximises the subsidy it receives. • Raising the importance of the subsidy implications of non-social housing supported exempt accommodation. |
| Provide additional checks for right to buy cases | Deliver additional checks to ensure right to buy cases are valid and can progress to full application. |

¹ Exempt accommodation is an individual dwelling for which a person is liable to make payments, that they occupy as their home and which is a resettlement place provided by persons to whom the Secretary of State has given assistance by way of a grant pursuant to section 30 of the Jobseeker's Act 1995 (grants for resettlement places), or provided by a non-metropolitan County Council, in England, a housing association, a registered charity or voluntary organisation where that body or person acting on its behalf also provides the claimant with care, support or supervision.

Detecting and investigating

| Activity | What the team will deliver in 2020-2021 |
|--|---|
| Council tax fraud investigation | <ul style="list-style-type: none"> Investigate fraudulent claims of council tax discounts, exemptions and reliefs. Give assurance that the current processes are sufficiently robust to mitigate fraud risks and carry out period validation exercises. Carry out random property inspections in partnership with the Council's Property Inspector. Continue to work with NFI, Call Credit and the Derbyshire Partnership. Apply penalties where required. |
| Business rates fraud investigation | <ul style="list-style-type: none"> Investigate fraudulent claims of business rates discounts, exemptions and reliefs Give assurance that the current processes are sufficiently robust to mitigate fraud risks and are carried out periodically. Carry out random property inspections in partnership with the Council's Property Inspector. Work with tracing facilities (LOCTA) for validation purposes, particularly in cross boundary cases. Apply penalties where required. |
| Housing benefit and council tax reduction support investigation | <ul style="list-style-type: none"> Develop HBMS processes and routines within the Integrity and Compliance Team. Identify cases from HBMS for investigation by trained investigation staff. Continue to work with NFI. Identify fraud and apply sanctions. Give assurance that processes are mitigating risks. |
| Right to buy investigation | <ul style="list-style-type: none"> Further develop checks into applications from tenants to buy their homes. Routinely assess all new applications for veracity of deposit and application. Identify instances of fraud and apply sanctions. Give assurance that processes are mitigating risks. |
| Social housing investigation | <ul style="list-style-type: none"> Further develop arrangements to identify tenants no longer living in rented SDDC accommodation and subletting or leaving empty for lengthy periods. Work with housing team to provide intelligence and assist with potential tenancy breaches/fraud. |
| Joint investigations with DWP | <ul style="list-style-type: none"> Carry out joint investigations with the DWP as appropriate. |

Understanding emerging fraud risks

| Activity | What the team will deliver in 2020-2021 |
|---|---|
| Work with teams and internal audit | Work with heads of service and internal audit to identify new areas of potential weakness/work. |
| Working in partnership | Work with the local partners and agencies, including Derbyshire Police, through the East Midlands Fraud Group to share best practice and identify emerging fraud risks. |
| Work with teams across the council | <p>Work with the following teams to minimise their exposure to new and emerging fraud risks:</p> <ul style="list-style-type: none"> • Benefits service re supported accommodation • Allocations team • Revenues team • Right to buy team <p>Examples of work carried out includes introducing new processes and procedures, carrying out visits, undertaking checks and investigating individual cases – for example charges levied by supported accommodation to ensure services provided match costs charged.</p> |

Raising fraud awareness

| Activity | What the team will deliver in 2020-2021 |
|---|--|
| Raise awareness of fraud to build a fraud aware culture | Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples. |
| Continue to develop fraud awareness training for all staff. | Embed fraud awareness training into the Council's new training and development plan, and ensure it includes bribery and money laundering. Deliver both basic and enhanced training virtually and face to face (if/when allowed). |
| Raise awareness of fraud to build a fraud aware culture. | Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples. Where appropriate promote successful prosecutions to highlight the consequences of fraudulent activity and provide a deterrent |
| Provide a simple way for staff, members and customers to report suspected fraud. | Provide an online portal that allows staff, members and customers to easily report suspected fraud. |

ENDS