



Derby City Council



South  
Derbyshire  
District Council

# Counter Fraud Partnership Performance Update

1 April 2020 – 3 March 2021

This report highlights the work undertaken by Derby City Council Counter Fraud Team under a partnership agreement with South Derbyshire District Council to detect, investigate, prevent, and raise general awareness of fraud across the Council. Since April 2020, the partnership has delivered in excess of £152,000 cashable and value for money savings through preventing and detecting fraud, including providing additional support in relation to emerging COVID-19 fraud risks.

## 1. Background

The partnership has been in place since January 2017 and has a very positive working relationship with internal teams. The partnership is managed by the Customer Services, Revenues & Benefits team, with close working links to the housing and right to buy teams. The main work themes undertaken by the team to date include:

- Detecting and investigating fraud
- Preventing fraud
- Understanding emerging fraud risks
- Raising fraud awareness

## 2. Partnership highlights

Work delivered in 2020 - 2021 includes:

### Detecting and investigating fraud

#### Highlights include:

- One property recovered (e.g., illegal sub-letting, breach of tenancy) and three housing applications withdrawn.
- £152,292.41 savings delivered, consisting of £83,429.16 cashable savings and £68,863.25 value for money savings.
- Continuing to provide intelligence to support investigation into Modern Slavery and Organised Crime Groups.
- Undertaking National Fraud Initiative (NFI) checks and data matching.
- Undertaking joint investigations with DWP.
- Undertaking pro-active work re council tax discounts and exemptions.
- Working with housing team to provide intelligence to assist with potential tenancy breaches/fraud.



### Preventing fraud

#### Highlights include:

- Providing additional checks for Right to Buy cases.
- Working with the benefits team to prevent fraud in supported accommodation.
- Working with the housing teams to undertake pro-active checks to prevent and detect fraud.
- Hosting the East Midlands Fraud Group with local partners and agencies to share best practice and identify emerging fraud risks.
- Working with Derbyshire Police and attending tasking meetings to identify emerging fraud.
- Providing a single point of contact (SPOC) for DWP cases.
- Providing additional checks where required to support delivery of COVID-19 business grants.



## Understanding emerging fraud risks

In addition to investigating fraud the team is working with the following service areas to minimise their exposure to fraud risks:



- Benefits service re Supported Exempt Accommodation.
- Allocations team.
- Revenues team.
- Right to Buy team.
- Supporting COVID-19 business grant award process.

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 Supporting Exempt Providers to ensure services provided match costs charged.

## Raising fraud awareness

Highlights include:



- Fraud awareness training for SDDC staff – over 42% of the workforce trained so far.
- Provision of online referral for reporting of fraud.
- Provision of fraud telephone hotline.

## 3. How much does the partnership cost?

Every year, South Derbyshire District Council funds the equivalent of one Counter Fraud Investigator post and a percentage of the manager salary. Annual costs are as follows:

	2019/2020	2020/2021
<b>Cost of partnership</b>	£42,564.00	£42,564.00

In return for this, South Derbyshire District Council receives the appropriate number of FTE (full time equivalent) hours service spread across a wider pool of investigators/expertise and the team manager.

## 4. Does the partnership offer value for money?

The below table summarises the cashable savings/income generated through the work of the partnership since April 2020, which are funds that can be recovered from customers. It also summarises the value for money savings, which are a calculation of expenditure/loss that would have been incurred to the public purse had the fraud not been identified and are based on Cabinet Office/NFI guidelines and multipliers. **The savings total £152,292.41 in 2020-21.**

Description of activity	Cashable saving/income	Value for money saving
<b>Council tax</b>		
Removal of single person council tax discounts (NFI and non NFI)	£1,299.01	£4,772.36
Removal of Local Council Tax Support	£5,570.51	£1,847.16
General change in liability (e.g. removing Class F Exemption following probate)	£34,795.87	N/A
<b>Housing benefits</b>		
Housing benefit cancelled / reduced	£22,303.62	£5,903.73
Other DWP benefit overpayment recovery (cashable savings for DWP)	£19,460.15	N/A
<b>Housing</b>		
Illegal succession, sublet, breach of tenancy	N/A	£46,500 (1 property)
Housing application stopped	N/A	£9,840 (3 applications at £3,280)
<b>Total</b>	<b>£83,429.16</b>	<b>£68,863.25</b>

The performance compares favourably with the previous year's performance (2019-20) where the team delivered £50,138.70 cashable savings/income, and £322,600.66 value for money savings. The higher value for money savings was as a result of three properties being recovered and two right to buy cases being stopped with a combined value of £151,050.

\* The Cabinet Office calculates tenancy fraud at £93k per property recovered based on a four-year average fraud indicated by previous results. Results indicate the average length of fraud to be two years therefore we have used a prudent value of £46,500 per property recovered.