



Derby City Council



South
Derbyshire
District Council

Counter Fraud Partnership Performance Update

January 2017 - September 2020

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 South Derbyshire. Since January 2017, the partnership has delivered in excess of £580,000 cashable and value for money savings through preventing and detecting fraud, which equates to approximately £200,000 savings per annum.

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 benefits team, with close working links to the council tax, housing and right to buy teams. The main work themes undertaken by the Counter Fraud Team to date include:

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

2. Partnership highlights

Work delivered since 2017 includes:

Detecting and investigating fraud

Highlights include:

- Four properties recovered (e.g. illegal sub-letting, breach of tenancy) and three Right to Buy applications withdrawn.
- £584,965.20 savings delivered, consisting of £102,815.92 cashable savings and £482,149.28 value for money savings (see overleaf).
- 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.



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

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
- Poster campaign across Derbyshire, including SDDC
- Supporting publicity of fraud cases
- Introduction 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:

	2017/18	2018/19	2019/2020	Total over three years
Cost of partnership	£36,867	£40,764	£42,564	£120,195

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.

3. Does the partnership offer value for money?

The below table summarises the cashable savings/income generated through the work of the partnership since January 2017, 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.

Description of activity	Cashable saving/income	Value for money saving
Council tax		
Removal of single person council tax discounts (NFI and non NFI)	£15,041.02	£41,933
Removal of Local Council Tax Support	£15,158.33	£5,898.69 (had the fraud continued for 21 weeks, as per NFI guidelines)
General change in liability (e.g. removing Class F Exemption following probate)	£24,545.51	/
Civil penalties for not reporting changes.	£280	
Housing benefits		
Housing benefit cancelled / reduced	£47,791.06	£22,427.59 (had the fraud continued for 21 weeks, as per NFI guidelines)
Housing		
Illegal succession, sublet, breach of tenancy	/	£186,000* (4 x £46,500)
Housing application stopped	/	£9,840 (3 x £3,280.00)
Right to Buy (RTB) stopped	/	£216,050 (value of RTB discount)
Civil penalties		
Total	£102,815.92	£482,149.28

* 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.