



Derby City Council



South
Derbyshire
District Council

Counter Fraud Partnership Performance Update

1 April 2021 – 31 March 2022

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 2021, the partnership has delivered nearly £380,000 cashable and value for money savings through preventing and detecting fraud.

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 2021 - 2022 includes:

Detecting and investigating fraud

Highlights include:

- £379,949 savings delivered, consisting of £38,577 cashable savings and £341,371 value for money savings.
- Seven properties recovered (e.g., illegal sub-letting, breach of tenancy) and one housing application withdrawn.
- Continuing to provide intelligence to support investigation into Modern Slavery and Organised Crime Groups.
- Undertaking National Fraud Initiative (NFI) checks and data matching.
- Undertaking pro-active work re council tax discounts and exemptions.
- Working with housing team to provide intelligence to assist with potential tenancy breaches/fraud.



During COVID, the DWP fraud team were moved to process Universal Credit claims, which vastly reduced the **joint working with the DWP on potential fraud cases**. This had a knock-on effect on identifying cases of council tax and housing benefit fraud (as shown in the table at 4 – overleaf). DWP resource has been refocused on fraud and cases are starting to come through. The team expects cases to increase again in 2022-2023 to pre-COVID levels.

Preventing fraud

Highlights include:

- Providing additional checks for Right to Buy cases when required.
- Working with the benefits team to prevent fraud in supported accommodation.
- Working with housing 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 providing responses to information requests.
- Providing additional checks as 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 pro-active review of Council Tax exemptions, 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.
- 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:

	2020/2021	2021/2022	2022/2023
Cost of partnership	£42,564	£44,125	£ 45,135

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 in 2021-2022 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 £379,949 in 2021-2022.**

Description of activity	Cashable saving/income	Value for money saving
Council tax		
Removal of single person council tax discounts (NFI and non NFI).	£1,435.69	£4,535
Removal of Local Council Tax Support.	£103.52	£1,134.42
General change in liability (e.g., removing Class F Exemption following probate).	£36,827.07	N/A
Housing benefits		
Housing benefit cancelled / reduced.	£211.35	£6,922.02
Housing		
Illegal succession, sublet, breach of tenancy.	N/A	£325,500 (7 properties at £46,500)
Housing application stopped.	N/A	£3,280 (1 application at £3,280)
Total	£38,577.63	£341,371.44

The 2021-2022 performance has higher value for money savings was because of seven properties being recovered. The comparatively lower level of cashable savings (£38,577 in 2021-2022 compared to £83,429 in 2020-2021 is linked to the reduction in DWP joint working, as highlighted in section 2).

* The Cabinet Office calculates tenancy fraud at £93,000 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.