



Derby City Council



South  
Derbyshire  
District Council

# Counter Fraud Partnership Performance Update

1<sup>st</sup> April 2023 – 20th November 2023

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 2023, the partnership has delivered £181,110.70 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 2023:

### Detecting and investigating fraud



#### Highlights include:

- £181,110.70 savings delivered, consisting of £114,726.85 cashable savings and £66,383.85 value for money savings.
- 1 property recovered (e.g., illegal sub-letting, breach of tenancy)
- 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.

### Preventing fraud



#### Highlights include:

- 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.

### 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.

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	2023/2024
<b>Cost of partnership</b>	£42,564	£44,125	£ 47,888	The fee for 2023/2024 and 2024/2025 will be set based on the CPI as of November 30 <sup>th</sup> each year subject to a minimum increase of 2% and a maximum increase of 6% of the previous year's fee.

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 April 2023-Nov 2023 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
<b>Council tax</b>		
Removal of single person council tax discounts (NFI and non NFI).	£14,962.91	£17,045.28
Removal of Local Council Tax Support.	£5534.77	£1579.41
General change in liability (e.g., removing Class F Exemption following probate).	£77,139.48	N/A
<b>Housing benefits</b>		
Housing benefit cancelled / reduced.	£17,089.69	£1259.16
<b>Housing</b>		
Illegal succession, sublet, breach of tenancy.	N/A	£46,500 (1 properties at £46,500)
Housing application stopped.	N/A	
<b>Total</b>	<b>£114,726.85</b>	<b>£66,383.85</b>

\* 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.