

Appendix 1

Corporate Anti-Fraud Team Mid Year Performance Progress update 2015-16

	Project Number, Name & Description	Expected Outcome	Actual Outcome	Number of cases (if relevant)	Value of fraud identified/fraud loss/fraud prevention (if relevant)	Commentary
1.	Council Tax Support (CTS) Fraud	The identification of 12 positive outcomes and/or £15,000 CTS fraud identified including awareness raised within the service area	On target (subject to resources)	9 (75% complete)	£15,192.85	<p>A total of 9 cases have been investigated to date by officers and these are currently awaiting a management decision on further case disposal action. Where fraud is proven, disposal options include offering the suspect a caution (with a voluntary £200 contribution towards investigation costs), a financial penalty (50% of the overpayment laid down by law) or prosecution. The fraudulently overpaid Council Tax Support is being recovered through usual channels.</p> <p>There are a further 8 cases under investigation at various stages and 9 other cases ready to be allocated to officers to investigate.</p>

2.	Housing Tenancy Fraud	Identification of 12 positive outcomes of housing tenancy fraud (including RTB, succession and assignment applications) and where appropriate possession and/or criminal action sought	Behind target	4 (30%)	£153,000	<p>4 properties have been successfully recovered working in partnership with housing resident services at the mid year point. This is behind where we should be at the mid point, however, at present there are a further 21 live tenancy fraud investigations at various stages. Of the 21 cases, there are a number that are at advanced stages and solicitors have been instructed to seek possession on 3 cases.</p> <p>In addition to the above activity, a total of 34 fraud checks were complete on Right to Buy applications received (100% check) and as a result 4 investigations have been launched as there are doubts over both the validity of the application and the tenant's occupation of the address as their principle home which is a condition of the RTB.</p> <p>Given the current level and status of live casework and outcomes known in quarter 3, it is envisaged that this objective will be met.</p>
----	-----------------------	--	---------------	---------	----------	---

3.	Experian Housing Tenancy fraud data match exercise	Completion of Experian Housing Tenancy data match	Met	2	<p>£108,000 (2 tenancies recovered and acknowledged in 2014/15)</p> <p>(loss prevention amount generated by freeing up council tenancies and removing families earlier than normal from B&B/Temp accommodation)</p>	<p>All very high and high matches were processed and a 10% sample of the medium risk matches were undertaken. Based on the findings of the medium risk sample, a decision was taken not to review the low risk matches.</p> <p>A further datamatch exercise on the housing stock will be considered in 2016/17 using the Call Credit housing hub as a vehicle rather than Experian as the quality of the matches in this exercise was not as good as the previous exercise undertaken in 2011 where 9 properties were recovered. See 4 below.</p>
4.	Pan London Housing Fraud Hub	Embed the Housing Fraud Hub within Housing Needs to support front line service delivery	Met	0	£0	<p>Hub training was delivered to housing resident services, housing needs and housing benefit in July and September 15. All have a number of staff within each department with access to the hub to utilise as a preventative tool when validating applications for services. The hub will continue to be developed by the suppliers to hopefully include additional data sets such as blue</p>

						<p>badges, social care and residents parking during 16/17.</p> <p>To date no cases have yet been identified and referred to the CAFT for investigation as a result of an inter borough match.</p>
5.	Explore & develop MOU's with local Registered Social Landlords (RSL's)	Agree MOU's with at least 3 RSL's to generate new work streams in relation to housing tenancy fraud	Behind target	N/A	N/A	<p>Will be developed during the second part of the year to coincide with the governments Housing & Planning Bill which is likely to offer the Right to Buy (RTB) to RSL's.</p> <p>This could potentially see an area of growth for the authority to undertake this RTB validation work on behalf of RSLs and generate income for the authority.</p>
6.	Blue badge fraud	Identification of 12 positive outcomes through responsive work and proactive fraud drives working with Met Police SNT's and in conjunction with the Council's Day of Action	On target	4 blue badge enforcement operations implemented resulting in the identification of 10 suspected instances of badge misuse	No widely available formula to measure the cost of badge misuse but TFL estimate that it could be in the region of £5,000-£10,000 per annum in	<p>At the mid way point:-</p> <p>10 instances of suspected badge misuse identified during 4 proactive operations.</p> <p>12 cases are awaiting management decision on case disposal following the above and other reactive work.</p> <p>2 cautions have been</p>

		Programme in each quarter			terms of lost parking revenue per badge. Taking the conservative £5,000 loss fraud value of 10 cases could be something in the region of £50,000 fraud loss	administered 1 warning issued 1 successful prosecution.
7.	Direct payment fraud	Identification of £50K of direct payment fraud/financial irregularity through a sample review of high risks cases including awareness raised within service area	Not met	0	0	Challenges in accessing relevant and necessary data and capacity issues have impacted upon this objective, e.g. accessing budget monitoring information has been difficult due to the paper forms being stored off the Civic Centre site and not indexed in any order. This has meant that targeting the right cases for review has been a challenge. It is unlikely that this will be met even if sampling is commenced in second part of the year. See report paras 2.9 – 2.11.
8.	School application fraud	Identification of school admission fraud/financial	Met	5 instances where applications were	Unable to quantify the financial value	A sample of 43 rising five school application cases were validated where school admissions were

		irregularity through a sample review of high risk cases provided by the admission team including awareness raised within service area		corrected/withdrawn	to the authority as there is no formula. Objective is focussed on protecting the integrity of the school admissions system to ensure fairness for all.	unable to verify if the applicants resided at the application address. This resulted in the following:- Green 25 – verified as all OK. Amber 13 – were verified as all OK after further checks were undertaken. Red 5 – high risk. Application information conflicting with intelligence gathered. These resulted in offers being withdrawn or made based on different information to that which was supplied, e.g. some individuals applied from addresses that they were going to reside in the future which is contrary to the rules. There were no instances of cases where false information was deliberately provided to mislead the authority into offering a school place incorrectly.
9.	NFI 14/15 exercise	Supporting service areas in the timely processing of high risks matches to satisfactory	Met	225	£640,760.48	a) <u>Blue badges</u> 4 reports, 273 matches, 165 badges cancelled due to the authority not being notified of the

		conclusion				<p>death of a customer. Fraud risk removed.</p> <p>b) <u>Housing Benefit</u></p> <p>48 reports, 4419 matches and 59 errors resulting in overpayments amounting to £634,718.75 to date. High percentage of processing still to be undertaken but capacity issues in Housing Benefit impacting upon ability to complete this work. This was historically undertaken by the CAFT pre SFIS transfer so no additional resources were made available to Housing Benefit.</p> <p>c) <u>Housing Tenancy & RTB</u></p> <p>16 reports, 60 matches, all processed and no issues</p> <p>d) <u>Insurance claims</u></p> <p>6 reports, 570 matches, all processed and no issues</p> <p>e) <u>Personal budgets</u></p> <p>6 reports, 259 matches, no issues to date although 2 reports still</p>
--	--	------------	--	--	--	---

						<p>outstanding.</p> <p>f) <u>Pensions</u></p> <p>4 reports, 195 matches, all processed, resulting in 1 overpayment amounting to £6041.73.</p> <p>g) <u>Payroll</u></p> <p>8 reports, 166 matches, all processed no issues.</p> <p>h) <u>Private Residential Care Homes</u></p> <p>1 report, 25 matches, 50% processed no issues to date.</p>
10.	Income opportunities/generation	£10K income generated through administrative penalties and recovery of investigation costs	Met	1	£39,000	This sum of money represented a lump sum repayment to Housing Benefit of an individual under investigation for Council Tax Support fraud which also impacted the housing benefit. The CTS investigation is awaiting management decision for case disposal.
11.	Deliver fraud awareness campaign	Deliver fraud awareness campaign and co-	Not met	N/A	N/A	This objective was to be co-ordinated with the outcomes driven out of the CIPFA Code

		ordinate communications prior in conjunction with International Fraud Awareness Week 15/11/15 - 21/11/15				<p>work (objective 13). The CIPFA Code work had not commenced in the first part of the year as the authority was still awaiting for the release of the self assessment tool kit.</p> <p>The toolkit was released in October 2015, therefore this objective will not be met and will form part of the action plan to be developed in 2016-17.</p>
12.	Fraud risk review of waiting list/temporary accommodation cases	Identification of fraudulent housing applications / interception of cases before permanent allocation of tenancy through sample review including raising awareness within service area	On target	0	0	<p>Thirteen cases have been fraud validated of those individuals set live on the Council's waiting list. Some minor issues were identified with two cases and a recommendation made to housing needs to clarify with the applicants. No further issues have been raised with these.</p> <p>There are two historical cases identified in 2014/15 that have been referred to HB Law, one of which is due for trial in April 2016 and the other is awaiting legal advice.</p> <p>This objective has been impacted in quarter 3 by a member of staff</p>

						leaving in December 2015 and the role has not been filled. See Report para 2.14.
13.	Review and implement CIPFA Code of Practice on Managing the Risk of Fraud & Corruption	<ul style="list-style-type: none"> • Self assess against the Code performance statements • Develop action plan to meet the gaps identified • Implement action plan • Review progress 	Not met	N/A	N/A	<p>This had not commenced at the mid way point as per 11 above.</p> <p>Currently, the self-assessment on 4 out of the 5 CIPFA Code principles have been complete.</p> <p>Once the self-assessment is complete, an action plan to meet the gaps will be developed and steps taken to begin implementation in 2016-17. This will feature heavily in the CAFT Service Plan for 2016-17.</p>
<p>Other areas of reactive fraud risk investigations with positive outcomes achieved</p> <p>Employment with the Council and Blue badge fraud</p> <p>Three agency employees identified as committing blue badge abuse against the authority on and around the Civic Centre site were removed from their contracts with the authority and one former agency employee was successfully prosecuted for blue badge abuse. One employee of a school was dismissed from post for committing benefit fraud against the authority</p> <ul style="list-style-type: none"> • Employee one was identified through reactive reconnaissance of blue badge use on the Civic Centre site and surrounding roads. The agency employee was apprehended on Milton Road in a restricted zone displaying a badge registered to a family member who was not 						

present. They had displayed the badge on a number of occasions. The individual admitted wrongdoing at the first opportunity and was subsequently removed from their contract. A decision on further criminal action is yet to be made.

- Employee two was again identified through the same technique as above. The agency employee was apprehended displaying a badge registered to a family member who was not present on Milton Road in a pay and display bay and in a restricted zone, but denied wrongdoing and provided an account that was unreliable and inconsistent with the facts that were established. The individual was subsequently removed from their contract and a decision on further criminal action is yet to be made.
- Employee three was identified following an anonymous e-mail into the team. The agency employee was apprehended displaying a badge registered to a family member who was not present, parked in a disabled bay on the Civic Centre. The agency employee admitted wrongdoing on a number of occasions and was subsequently removed from their contract. A decision of further criminal action is yet to be made.
- Employee four was employed in a school and was historically investigated for benefit fraud committed against both the Council and the DWP. The Council had issued her with a financial penalty and the DWP had prosecuted her for a £15,000 'living together' fraud. Following a disciplinary hearing she was dismissed from post.
- A former agency employee who had been dismissed from their contract in 2014/15 for displaying a badge in a pay and display bay registered to a family member who was not present, was successfully prosecuted in July 2015. They pleaded guilty and were given a £135 fine, £1,375 costs and a £20 victim surcharge.