

Appendix 2

Corporate Anti-Fraud Team Year End Report Outcomes 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	Met	19	£26,959.09	A total of 19 cases were investigated by officers, a number of which have been approved for sanction. Those individuals approved for sanction will be invited to attend an appointment to discuss accepting a caution or a financial penalty as an alternative to being prosecuted.
2.	Housing Tenancy Fraud	Identification of 12 positive outcomes of housing tenancy fraud (including RTB, succession and assignment applications) and where appropriate	Met	13	£909,000	A total of 9 properties were successfully recovered working in partnership with housing resident services. The fraud loss prevention value is calculated by multiplying the £18,000 pa notional value of a social housing unit by average waiting list time in Harrow for the respective number

		possession and/or criminal action sought				<p>of bedrooms.</p> <p>In addition to the above possession activity, a total of 5 Right to Buy applications received were rejected on the basis that there were doubts over the applicant's occupancy of the tenancy address which is a condition of the application. These cases are still subject to full investigation and could proceed further to property recovery action. The fraud loss prevention value is obtained by using the maximum £108,000 RTB discount which was a loss avoided.</p>
3.	Experian Housing Tenancy fraud data match exercise	Completion of Experian Housing Tenancy data match	Met	2	£108,000 (2 tenancies recovered and acknowledged in 2014/15)	<p>Processing of all very high, high and medium risk matches were complete.</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</p>

						recovered. See 4 below.
4.	Pan London Housing Fraud Hub	Embed the Housing Fraud Hub within Housing Needs to support front line service delivery	Met	0	£0 (to date)	<p>Hub training was delivered to housing resident services, housing needs and housing benefit in July and September 15.</p> <p>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.</p> <p>The hub will continue to be developed by the suppliers to include additional data sets such as blue badges, social care and residents parking during 16/17.</p>
5.	Explore & develop MOU's with local Registered Social Landlords (RSL's)	Agree MOU's with at least three RSL's to generate new work streams in relation to housing tenancy fraud	Met	N/A	N/A	<p>Engagement with the main RSL's in Harrow was challenging. We have a MOU agreed with five RSL's so that we can undertake housing fraud work on their behalf so that in the event of us facilitating a property recovery, the authority will receive the nomination rights from our waiting list.</p> <p>In terms of dealing with RSL Right to Buy fraud cases, until the</p>

						<p>Housing & Planning Act 2016 receives royal assent there is a reluctance on the part of the RSL's as they will only then know their responsibilities under the new law.</p> <p>This objective will carry over to the 2016-17 plan when greater detail is known about the legislation.</p>
6.	Blue badge fraud	<p>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 Programme in each quarter</p>	Met	<p>4 blue badge enforcement operations implemented resulting in the identification of 24 suspected instances of badge misuse</p>	<p>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 terms of lost parking revenue per badge. Taking the conservative £5,000 loss fraud value of 10 cases could</p>	<p>A number of cases continue to under investigation and a number are awaiting management decision on case disposal following the above and other reactive work.</p> <p>3 cautions have been administered</p> <p>1 warning issued</p> <p>1 successful prosecution.</p>

					be something in the region of £120,00 fraud loss	
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	<p>Challenges in accessing relevant and necessary Adults Services 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.</p> <p>There are currently 11 children's direct payment cases under investigation where clients have failed to respond to requests for evidence of spend. CAFT is working closely with Children's Services on these cases in a sensitive and understanding approach.</p>

8.	School application fraud	Identification of school admission fraud/financial irregularity through a sample review of high risk cases provided by the admission team including awareness raised within service area	Met	5 instances where applications were corrected/withdrawn	Unable to quantify the financial value 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.	<p>A sample of 43 rising five school application cases were validated where school admissions were unable to verify if the applicants resided at the application address. This resulted in the following:-</p> <p>Green 25 – verified as all OK.</p> <p>Amber 13 – were verified as all OK after further checks were undertaken.</p> <p>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.</p> <p>There were no instances of cases where false information was deliberately provided to mislead the authority into offering a school place incorrectly.</p>
9.	NFI 14/15 exercise	Supporting service areas in the timely	Met		£640,760.48	a) <u>Blue badges</u>

		processing of high risks matches to satisfactory conclusion				<p>4 reports, 273 matches, 165 badges cancelled due to the authority not being notified of the death of a customer. Fraud risk removed.</p> <p>b) <u>Housing Benefit</u></p> <p>48 reports, 4419 matches and 59 errors and 2 frauds resulting in overpayments amounting to £635,365.59 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 1 fraud case under investigation relating to an individual having no status in the UK. The outcome of this case will be covered in the mid year report for 2016-17.</p>
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						<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.</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	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.

		investigation costs				The CTS investigation is awaiting management decision for case disposal.
11.	Deliver fraud awareness campaign	Deliver fraud awareness campaign and co-ordinate communications prior in conjunction with International Fraud Awareness Week 15/11/15 - 21/11/15	Not met	N/A	N/A	<p>This objective was not met due to the late start of the CIPFA Code 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 be carried over to the Fraud Plan 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	Met	0	0	<p>Eighteen 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</p>

						<p>which is due for trial in April 2016 and the other is awaiting legal advice. More information will be provided about this prosecution in the 2016-17 mid year report.</p> <p>This objective was impacted in quarter 3 by a member of staff leaving in December 2015 and the post was not filled until February 2016.</p>
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 objective had commenced but was not complete by year end.</p> <p>The self-assessment was complete, an action plan had been drafted and this was fed into the fraud plan for 2016-17. See report para 2.8 of report</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</p>						

was dismissed from post for committing benefit fraud against the authority

- 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.