

BUSINESS ASSURANCE

Counter Fraud Progress Report to Audit Committee:

2021/22 Quarter 1

9th July 2021



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The Counter Fraud key contacts in connection with this report are:

Muir Laurie FCCA CMIIA
Deputy Director of Exchequer
Services & Business Assurance
t: 01895 556132
e: mlaurie@hillingdon.gov.uk

Alex Brown APCIP
Interim Head of Counter Fraud
t: 01895 556811
e: abrown@hillingdon.gov.uk

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1. Introduction

1.1 The Role of the Business Assurance Counter Fraud Team

- 1.1.1 The Business Assurance Counter Fraud Team (BACFT) supports the Council in meeting its statutory responsibility under section 151 of the Local Government Act 1972 for the prevention and detection of fraud and corruption. The work of the BACFT underpins the Council's commitment to a zero-tolerance approach to fraud, bribery, corruption, and other irregularities, including any money laundering activity.
- 1.1.2 As well as counter fraud activity, there is also a range of preventative work that the team is responsible for carrying out. This includes fraud awareness training and ensuring the Council have up-to-date and appropriate investigation policies and procedures.

1.2 The Purpose of the Counter Fraud Progress Report

- 1.2.1 The Counter Fraud Progress Report provides the Council's Corporate Management Team (CMT) and Audit Committee with summary information on all counter fraud work carried out during the Quarter 1 period (1st April to 30th June 2021). In addition, it provides an opportunity for the Interim Head of Counter Fraud (HCF) and the Deputy Director of Exchequer Services & Business Assurance (DDESBA) to highlight any significant issues arising from the counter fraud work in Quarter 1 (Q1).
- 1.2.2 The progress report also highlights to CMT, the Audit Committee and other key stakeholders, the performance of the BACFT in meeting its strategic and operational objectives (as set out in the Counter Fraud Strategic Plan), which provides an opportunity for the HCF and DDEBA to be held to account in this respect.

2. Executive Summary

- 2.1 During Q1 the BACFT has continued to operate within **Government Covid-19 restrictions** and even though some measures have been relaxed the visiting functions and direct engagement with the public have been negatively impacted. Compared to the previous lockdowns, **the BACFT has managed to maintain a higher level of operational activity** than before. Restrictions are continuing to present a challenge to the delivery of the Counter Fraud service, however the further easing of measures expected in Q2 will further improve service delivery for the BACFT.
- 2.2 Despite the challenges faced, the BACFT has continued to achieve loss prevention financial savings across service areas including Housing, Social Care and Exchequer Services. Specifically, this quarter the team **successfully generated £308k of financial savings** which have established the foundations for the team to actively pursue the £1.5m financial target for the 2021/22 year.
- 2.3 In April 2020, the Government provided further funding in the form of the **Covid-19 Business Support Restart Grant scheme**. These new grants are designed to help businesses to reopen as restrictions are lifted. The BACFT has been supporting Exchequer Services in the administration of these grants by conducting assurance verification checks and utilising various tools to ensure eligibility. These grants have been a significant part of counter fraud activity in Q1 which is set to continue into Q2.
- 2.4 The team has **continued its success in tenancy fraud during Q1, recovering 10 properties** mainly due to illegal subletting and non-occupation. The steady flow of tenancy fraud referrals internally and externally, coupled with the team's ability to negotiate the surrendering of tenancies has contributed to this achievement. Although evictions can now take place, there is a backlog of cases within the court system, which will continue to effect property recovery for the BACFT.

- 2.5 As part of the BACFT's commitment to maximising revenue, the team has continued to identify through intelligence gathering, beds in sheds that are not currently registered for Council Tax. Following inspection visits, **6 beds in sheds have now been identified for Council Tax, generating income of approximately £12.4k/yr.** Our activity in this area is set to continue throughout 2021/22 with dedicated proactive projects. **In total over £49k in loss preventions savings have been achieved across the area of Revenues in Q1.** This includes cases whereby businesses have not been declared for rates and the team have proactively intervened to maximise revenue.
- 2.6 In **Social Care**, the BACFT has been attempting to maintain a high level of engagement with key stakeholders to increase its counter fraud activity across the service area. The team is fully embedded within a variety of fraud risks, including those in Financial Assessments (FA), Section 17 and Disabled Facilities Grants (DFG). Following the increase of referrals from Q4, **the BACFT has successfully completed several investigations resulting in loss prevention outcomes of over £57k in this area.**
- 2.7 Following the decrease in immigration referrals, the Immigration Enforcement Officer (IEO) resource has been reduced for Q1. Nevertheless, **as a result of proactive work within Social Care, the IEO has identified financial loss prevention savings of over £20k in this area during the quarter.** To increase referrals, the IEO service will be relaunched in Q2 through a communication campaign internally to raise awareness regarding the benefits of the information that can be provided by the IEO.
- 2.8 To raise the profile of the counter fraud culture within the Council, the BACFT has engaged with various services through its **Fraud Awareness programme** during Q1. **In total 5 Fraud Awareness sessions were undertaken across Social Care, Legal Services and Technical Admin.** These sessions give officers of the Council the necessary tools to identify and report suspected cases of fraudulent activity. Further sessions are planned for Q2 in the areas of Housing and Social Care.
- 2.9 The BACFT has continued to invest in its staff through training and development. During Q1 an investigator and a lead investigator have both achieved their **Accredited Professional Certificate in Investigative Practices (APCIP)** qualification. The BACFT will continue to seek to improve the skills mix within the team and where possible, provide staff with relevant training and development opportunities.

3. Analysis of Counter Fraud Activity in Quarter 1

3.1 Housing Fraud

- 3.1.1 The BACFT has been carrying out effective counter fraud work within Housing, despite Covid-19 restrictions continuing to remain in place. The housing provisions within the **Coronavirus Act 2020** were amended in May 2021, meaning as of 1st June 2021 all landlords are required to give an extended **4 month notice period for 'Notices of Seeking Possession'** (for all but 'serious' cases). **It has also allowed eviction notices along with enforcement action to commence** as of 1st June 2021. However, there continues to be a delay in accessing court proceedings as serious cases are still being prioritised. **The BACFT is continuing to pursue property recovery by other methods,** which in turn saves on legal costs.
- 3.1.2 Per **Table 1** (over the page), in Q1 the BACFT has **recovered 10 Council properties,** which is a positive start to the financial year, particularly during a period where there have been the disruptions of the continued pandemic restrictions, as well as the departure of the previous HCF. The team has also obtained 2 possession orders following legal proceedings, but due to delays in the eviction process, both are currently awaiting further enforcement action. There are currently **86 ongoing investigations** into suspected housing fraud with 6 of these cases awaiting court hearing dates. This area of work continues to remain a key part of all counter fraud activity conducted by the BACFT.

Table 1 ~ Housing Tenancy Fraud Cases

Housing Tenancy Fraud Cases	2021/22*		2020/21		2019/20	
	Cases	£k/value**	Cases	£k/value	Cases	£k/value
Total number of properties recovered	10	£180k	22	£396k	28	£504k
Total number of ongoing cases	86	£1,540k				

* As at 30th June 2021.

** In 2014, the Audit Commission reported the national average temporary accommodation costs to Local Authorities for one family as **£18k per property**. We continue to use this prudent estimate for reporting purposes, although across London a large number of authorities are reporting that the true cost of each tenancy fraud case is more accurately estimated as **£94k per property** and some as high as **£150k per property** as a representation of property replacement costs.

- 3.1.3 The Key Performance Indicator (KPI) 4 (refer **Table 5** in **Appendix A**) targets an outcome of a council property to be recovered for 20% of tenancy fraud referrals received. The BACFT has had a successful quarter with **39% of tenancy fraud referrals resulting in property recovery**. This can be attributed to the quality of the referrals received, alongside the BACFT robust risk assessment process to ensure only those cases that have credible and corroborated intelligence will be investigated.
- 3.1.4 The BACFT carries out verification checks on all **Right to Buy (RTB) applications** submitted to Housing. The RTB process is a statutory scheme whereby a tenant(s) can apply to purchase their property, at a significant discount from its market value. There are strict conditions that must be met by the applicant(s) if they are to qualify for the discount. In Q1 the BACFT has conducted 20 RTB verifications and currently there are **10 ongoing RTB fraud cases under investigation**.
- 3.1.5 The BACFT continues to carry out various proactive projects within Housing to provide coverage of areas susceptible to fraud. In Q1 a proactive project verifying residency of those service users in receipt of Temporary Accommodation (TA) was undertaken. The project involved **unannounced visits to all TA properties**. The purpose was to identify instances of non-occupation or subletting, as well as to verify those that have applied for social housing are still eligible.
- 3.1.6 The BACFT conducted a total of **283 visits to 192 properties**. From these visits, 118 have been verified, one accommodation is to be returned due to non-occupation, two further investigations have commenced, and 71 properties are still to be verified. The unannounced visits verify the details of the current residents, ensuring that any changes of circumstances are reflected in internal systems. This project provides key stakeholders, including the Housing department, with positive assurance that all TA properties are being lawfully occupied in line with Part VII of the Housing Act 1996. This proactive project is ongoing and further updates will be included in the next progress report.
- 3.1.7 As part of the BACFT's **fraud prevention work** it proactively carries out periodic post-sale residency checks on properties purchased through the Council's **First Time Buyer (FTB) scheme**. The conditions of the scheme specify that the homeowner(s) must occupy their property for the first 36 months after purchase to retain the grant.
- 3.1.8 As a result of these visits there are **2 FTB cases under investigation for subletting**. These post sales checks will continue for those already in receipt of the grant. The FTB scheme has been discontinued as of 2021/22 which means the BACFT pre-verification checks are no longer required.

- 3.1.9 Per **Table 2** below, the BACFT as part of its prevention activity carry out eligibility checks on applicants who register for social housing. In Q1 the BACFT has completed **662** verifications, these checks include gathering information on an applicant's income, savings, assets, as well as their current housing situation.

Table 2 ~ Housing Tenancy Verification Cases

Housing Tenancy Verification Cases	2021/22*	2020/21
Total number of cases reviewed	662	2,010
Total number verified as accurate	467	1,385
Total number rejected	195	625
% identified by BACFT for rejection	29%	31%

* As at 30th June 2021.

- 3.1.10 Of the **195** cases that have been rejected, **1** individuals' application has been completely closed. Applications are closed due to a range of reasons, such as they no longer have a housing need, they have no immigration status, they own a property elsewhere or they have over £30k in savings or assets. Without the BACFT's enhanced verifications checks, these applicants may have been successful in obtaining a Council property that they were not entitled to.
- 3.1.11 KPI 2a (refer to **Table 5** in **Appendix A**) targets an **outcome of 95%** of Housing allocations verifications to be completed within the target date set by the Housing department. In Q1, the team has successfully achieved **99% of verifications** being completed within their target date.

3.2 National Fraud Initiative & Internal Data Matching

- 3.2.1 The National Fraud Initiative (NFI) is a data matching exercise co-ordinated by the Cabinet Office and conducted every 2 years. The NFI matches data from over 1,200 organisations, including councils, the police, hospitals and almost 100 private companies to identify potential fraud and error. **The BACFT has continued to work on the new bi-annual matches that were released in January 2021, including those that involve Single Person Discount (SPD).** The SPD data match highlights any cases where the SPD could be removed due to another adult in occupation. After further intelligence checks these cases have been passed to Exchequer Services to review, with loss prevention savings to be reported in the Q2 progress report.
- 3.2.2 The NFI are continually reviewing the matches that they share with partner organisations. They have recently provided new matches based on the grant data that had been submitted as part of the Covid-19 grants, that are being administered by local authorities. These matches have identified businesses that are potentially claiming **Small Business Rates Relief in more than one borough**. Further enquiries have been initiated on these cases in conjunction with Exchequer Services and any loss prevention financial savings identified will be reported accordingly.

3.3 Revenues Fraud & Inspections

- 3.3.1 Per **Table 3** (over the page), the Revenues Investigation Unit (RIU) has **conducted 1,887 inspections in Q1**, with 1,774 (94%) completed within the 10 day target. This is a considerable improvement in performance compared to last year and highlights the concerted effort from members of the team to improve performance in this area. Whilst the team recognises the positive strides that have been made, there is still room for improvement in order to meet the 95% KPI 7 target (refer to **Table 4** at **Appendix A**).

Table 3 ~ Revenues Inspections Performance 2021/22

Revenues Inspections	Q1	2020/21
Total number of inspections completed	1,887	6,005
Percentage within 10 day target	94%	59%

* As at 30th June 2021.

- 3.3.2 In Q1, RIU proactive work has continued to identify '**Beds in Sheds**' within the borough. 'Beds in Sheds' is the term used to describe habitable outbuildings, or annexes to private properties, being utilised without the awareness of the Council or Valuation Office. The BACFT has identified **6** previously unlisted buildings resulting in over **£12k of loss prevention savings** during this quarter. A further **4 outbuildings** have also been identified and the financial outcomes will be reported in Q2. Beds in Sheds will remain an area of focus for the BACFT, with further proactive project work planned for Q2.
- 3.3.3 During Q1, officers have been able to identify through intelligence checks, **5 previously unlisted business premises** that had not notified the Council that they were trading. This resulted in **over £5k of loss prevention savings** from **three of the identified properties**. The outstanding loss prevention savings will be reported in Q2 following confirmation from the Valuation Agency. This is a vital area of work for the BACFT as businesses have **no obligation** to inform the Council that they are trading. Every unlisted business is a potential loss of legitimate revenue to the Council.
- 3.3.4 The BACFT has engaged with colleagues from the **Street Name & Numbering Team** and the **Building Control Team**. These discussions have proven to be successful, with a new collaborative approach sharing data to identify unknown or inaccurately recorded properties within the Council Tax listings.
- 3.3.5 Information shared by the Street Name & Numbering Team highlighted an unknown split of a domestic property. After a successful visit it was established the changes dated back over 9 years. This resulted in c£300 loss prevention savings and ensured the Council Tax listings are accurate. Even though the financial outcome in this instance was low value, it has demonstrated the need to share intelligence and provided a proof of concept. The BACFT believes this new initiative has the potential to deliver further loss prevention savings across the financial year.

3.4 Grants Assurance Work

- 3.4.1 Officers from the BACFT have continued to assist Exchequer Services in the **verification of several business grants schemes**, most recently the **Restart Grant schemes** which were introduced in April 2021. The Restart Grant Scheme supports businesses to re-open as restrictions are lifted. This area of work has now been extended until July 2021, due to the four-week extension to the Government's national unlocking roadmap.
- 3.4.2 The BACFT has been assisting colleagues in Exchequer Services by completing checks utilising Cabinet Office tools **Spotlight** and **NFI**. These tools are used to verify eligibility of bank accounts and company statuses. The robust pre assurance checks undertaken by the BACFT and Exchequer Services ensures that only eligible applicants receive funding support.
- 3.4.3 Since April 2021 a total of **2,322 Restart Grants** have been raised for the BACFT to verify, all of which have had NFI verification checks completed. Of those checked, 1,651 were Limited Companies and required Spotlight verification checks. A further **37 of these were flagged to Exchequer Services for further checks regarding company status**. All grant information collected is shared with Central Government in order to identify instances of organised fraud.

3.4.4 Additionally, the BACFT has continued to verify historical grant schemes that are still open for applications. 586 grant verification checks have been completed and returned to Exchequer Services. Of these, **3 were flagged to Exchequer Services for further checks regarding their company status.**

3.4.5 The BACFT has also been completing inspection visits to premises where there is a suspicion of a fraudulent grant application. Since April 2021, a total of **47 inspection visits** have been completed and of those **5 have been raised with the Valuation Office to make amendments.** As a result of the enhanced verification checks, **2 businesses** are under formal investigation for potential fraudulent grant applications.

3.5 Social Services

3.5.1 The BACFT has continued to take positive steps to increase its counter fraud activity within Social Care. A **new financial assessment verification process** has been introduced and implemented. The **Financial Assessment Team (FA)** is responsible for assessing eligibility to receive financial support for both residential and non-residential care, including nursing care. There are strict eligibility criteria in place with the assessment taking into consideration income, capital, and assets to determine a client's contribution.

3.5.2 The new verification process allows BACFT officers to assess whether applicants meet the eligibility criteria, whilst identifying anomalies including, hidden income, capital, or assets. This quarter has seen **35 verifications** processed by the team, with **1 case currently under investigation.** This new process implements controls to mitigate various fraud risks the Council is exposed to.

3.5.3 In addition to the verifications process, the team has continued to actively encourage referrals from staff within Social Care. A number of referrals have been submitted by the **FA** team as well as the Social Care staff, with **4 cases currently under investigation.**

3.5.4 Since the inception of the Special Investigations Unit (SIU) following the restructure in October 2020, the BACFT has prioritised its engagement with key stakeholders in Social Care. Discussions with **Heads of Services responsible for Direct Payments have been encouraging,** with Fraud Awareness sessions and a fraud referral process set to be introduced during Q2.

3.5.5 Following this engagement, **the BACFT is now fully embedded across all the main fraud risk areas within Social Care.** This high level of counter fraud activity and coverage of fraud risk within Social Services, gives the Council and its residents the confidence, that measures are in place to combat fraud and protect the public purse.

3.5.6 This early engagement with Social Care has already led to the BACFT receiving direct payment referrals. A direct payment is money given to eligible applicants to purchase support services to meet their social care needs, such as support with daily living tasks, respite care and social activities. Due to the ever-increasing costs of personal care, fraud committed in this area can have a significant financial impact on the Council. There are currently **two direct payment cases under investigation.**

3.5.7 Q1 saw the commencement of the teams annual **Section 17 proactive residency check project.** Social Care provide accommodation and support to families that are destitute under Section 17 of the Children's Act 1989.

3.5.8 The residency check project was conducted to ensure that accommodation provided to some of the boroughs most vulnerable families was being fully utilised and to highlight any instances of fraud being committed through subletting or non-occupation. Upon conclusion a total of **26 families were visited of which 25 have been verified.** One case had been identified for non-occupation following an investigation and **resulted in loss prevention savings of over £13k.**

- 3.5.9 To mitigate the risk of fraud and to provide assurance to Social Care, the BACFT carry out verification checks on **all Section 17 applications**. These desktop checks include confirming the applicant's immigration status and whether they qualify to receive emergency accommodation and support. A total of **5** verifications have been conducted. This resulted in **1 applicant** being identified, who was able to access public funds. This meant that the Council was not responsible for the housing costs relating to their application. **Loss prevention savings of over £13k** were achieved, with these checks continuing to demonstrate their value in this area.

Table 4 ~ Section 17 Verification Cases 2021/22

Section 17 Verification Cases	2021/22*
Total number of cases reviewed	5
Total number verified as accurate	4
Total number of cases closed	1
Loss Prevention Savings	£13,128

* As at 30th June 2021.

- 3.5.10 The Council offers a wide range of financial support for people with disabilities, such as the **Disabled Facilities Grants (DFG)** scheme. This means tested scheme is subject to strict eligibility criteria being met. The scheme allows for necessary and appropriate adaptations to be made to meet resident's needs. As part of the counter fraud work within Social Care, the BACFT carries out investigations into suspected cases of fraud within the scheme. In Q1, the team has successfully closed **1 DFG application**, due to undisclosed finances and persons unknown residing at the property, resulting in **loss prevention savings of £30k**.

3.6 Blue Badge

- 3.6.1 Blue Badge permits provide parking concessions for people with severe mobility problems. In 2019 the scheme's eligibility was extended to people with less visible conditions. Residents that have been diagnosed with autism and/or mental health conditions are now able to apply for a Blue Badge.
- 3.6.2 The BACFT conducted a **Blue Badge Misuse Operation** in Uxbridge High Street during December 2020. This resulted in **6** cases of Blue Badge misuse being investigated. Despite Covid-19 restrictions causing a delay concluding cases, **simple cautions and fixed penalty notices were administered to 5 offenders**, with **1 case remaining under investigation**. These disposal decisions act as a deterrent and reinforces the BACFT's commitment to Blue Badge Fraud.
- 3.6.3 To ensure the BACFT continue to deter misuse across the borough in high risk areas. The team have been working collaboratively with the **Parking Enforcement Team**, using intelligence led information to review known hot spot areas. This collaborative approach will see counter fraud officers deployed during peak times, as part of the team's **Blue Badge Misuse Operation** due to commence in Q2.

3.7 Immigration Enforcement Officer

- 3.7.1 The BACFT has had a Home Office Immigration Enforcement Officer (IEO) working as part of the team since April 2018, providing enhanced access to Home Office data for the purpose of assessing cases involving immigration issues and for assisting in a range of counter fraud work.

- 3.7.2 Even though some Government restrictions have remained in place during Q1, **the IEO services have not been prevented from continuing**. However, Q1 has seen a 41% decrease in the number of requests made to the IEO compared to Q4, which is due to the knock-on effect of the pandemic. The IEO has been required to work remotely, in line with Government guidance, on a part time basis. Therefore, there has been less visibility and awareness of the IEO. **To try and address the reduction in referrals** efforts were made during this quarter to re-promote the availability of the IEO. A reminder of the IEO's availability was sent to colleagues and communicated to key stakeholders within Social Care and Housing. The value of the information that can be provided by the IEO was also highlighted and discussed during Fraud Awareness sessions.
- 3.7.3 Despite the drop in referrals, the IEO has contributed **actual loss prevention savings of over £20k in Q1** (refer to **Table 6** in **Appendix B**). These savings are in relation to Social Care NRPF cases where the services user's immigration status had changed. This resulted in users being able to access public funds, relieving the Council of its financial commitments towards accommodation and support. With the easing of restrictions and colleagues gradually returning to the office, there is an expectation that referrals will increase with greater financial outcomes expected in this area.
- 3.7.4 After approximately 3 years with the Council, our current IEO has accepted a promotion within the Home Office and will be leaving the BACFT during Q2. As a result, the Home Office is currently recruiting a replacement IEO for Hillingdon and has assured us that a temporary IEO will be made available during this transitional period. The BACFT will be using the arrival of the new IEO to re-launch this aspect of the team's service by raising awareness of the benefits of an IEO at Fraud Awareness sessions and to increase referrals using internal publications.

3.8 Other Counter Fraud Activities

- 3.8.1 To maximise loss prevention through effective counter fraud activity within the Council, the BACFT assists the **Corporate Collections** team with the tracking and tracing of debtors. The team use investigative tools and techniques to assist Corporate Collections with their enquiries, by obtaining useful information to facilitate the recovery of monies owed from former tenant arrears and adult social care debt. Whilst it is not yet possible to quantify the team's direct involvement in this area, the team **provides a level of assurance to the senior managers in these teams** that all reasonable and proportionate steps have been taken to locate individuals and recover the debt.
- 3.8.2 To provide assurance over the write-off process of debts within Social Care, the BACFT has introduced a new initiative, working closely with the **Children's Resources Finance Team** to review all the **No Recourse to Public Funds (NRPF)** write-off requests. This will take place prior to management sign off, where Children's Services are providing support and payment for accommodation for failed Asylum-Seeking Children or Section 17 families. Up to date immigrations status checks are carried out to verify whether service users can access public funds. In Q1 the BACFT **identified 1 case** where the family were able to access public funds and successfully stopped the entire debt from being written off which **resulted in financial loss prevention savings of approximately £1.5k**.
- 3.8.3 As part of the commitment to creating a stronger **counter fraud culture** within the organisation, the team has continued to deliver Fraud Awareness Sessions to departments. In total **5 Fraud Awareness Sessions** have been delivered across **Social Care, Legal Services** and **Technical Admin**, with further sessions planned for Q2 in Housing and Social Care.
- 3.8.4 Q1 has seen the launch of the team's **"#FraudAwarenessFriday"** social media campaign utilising the Council's various social media platforms, such as Twitter, Instagram, and Facebook. The campaign is being used to raise awareness of different types of fraud including subletting and beds in sheds. The media campaign is set to continue throughout 2021/22 and will also feature updates on the BACFT's counter fraud activity.

4. Analysis of the Counter Fraud Team's Performance in Quarter 1

- 4.1 Attached at **Appendix A** is **Table 5** which sets out the performance by the BACFT against the nine KPIs in Q1. Also attached at **Appendix B** is **Table 6**, which provides an overview of the financial performance of the team in Q1 within each of the main areas of counter fraud activity. **KPI 2b “First Time Buyer completion within 5 working days” will be removed from Q2** as the scheme has recently been disbanded and the Council are no longer receiving new applications for this initiative.
- 4.2 This quarter has seen a significant improvement in performance across most of the KPIs; **8 of the 9 KPIs are at or above targeted performance**, whilst **1 is amber**. A focused effort from staff and management during the quarter has led to this improvement, in particular KPI 7, where **performance has increased by 35%**. To support the BACFT in maintaining this level of performance new management information reports have been developed, giving clear oversight of all areas of performance.

5. Forward Look

- 5.1 With restrictions set to ease further during Q2, the BACFT will be able to increase counter fraud projects which involve the need to visit. **Specifically, both the beds in sheds and tenancy fraud projects** will become a greater focus over the next quarter.
- 5.2 In Q2, the team will continue to support Exchequer Services on the administration of **Business Grants Schemes**. This includes providing verification checks to ensure eligibility as well as initiating recovery action against those businesses that have received a grant to which they are not entitled. This work may potentially continue beyond Q2, depending on what the Government decides.
- 5.3 As part of its stakeholder engagement and to ensure the BACFT offers coverage to all significant fraud risks, further discussions in Q2 will be held with **Education Services and the Procurement Service** regarding potential proactive counter fraud activity. This will likely lead to planned works in these areas later in 2021/22.
- 5.4 During Q2, **the DDESBA will be looking to appoint to the position of HCF on a permanent basis**. This will involve an internal and external recruitment process to ensure the best candidate is appointed to this critical role.
- 5.5 The BACFT would like to take this opportunity to formally record its thanks for the co-operation and support it has received from the management and staff of the Council during this quarter. There are no other counter fraud matters that the DDESBA needs to bring to the attention of CMT or the Audit Committee at this time.

Muir Laurie FCCA CMIIA
Deputy Director of Exchequer Services & Business Assurance

9th July 2021

APPENDIX A**Table 5 ~ BACFT Quarter 1 KPIs and Actual Performance**

BACFT KPIs	Target	Q1	20/21
1. Percentage of fraud referrals risk assessed within 3 working days	95%	100%	87%
2. Verification work timescales for completion:			
a. Housing Allocations completion within the target date set by Housing.	95%	99%	95%
b. First Time Buyer completion within 5 working days	95%	100%	33%
c. Right to Buy case completion within 28 working days	95%	100%	100%
3. Investigation plan completion within 5 working days of case allocation	95%	100%	90%
4. Tenancy fraud referrals received resulting in property recovery	20%	39%	41%
5. Investigations resulting in sanction (<i>prosecution/penalty/caution</i>)	10%	13%	5%
6. Investigations resulting in loss prevention/financial saving outcome	25%	46%	39%
7. Revenues inspections completed within 10 days of raising	95%	94%	59%

APPENDIX B**Table 6 ~ BACFT Quarter 1 2021/22 ~ Financial Performance**

Work Area	Description	Quarter 1*	Quarter 2	Quarter 3	Quarter 4	2020/21
Housing	Right to Buy discounts	£0	£0	£0	£0	£214,400
	Property Recovery (notional savings)	£180,000	£0	£0	£0	£396,000
	Other savings/loss prevention	£0	£0	£0	£0	£39,418
Social Services	Section 17 and UASC**	£27,775	£0	£0	£0	£27,344
	Financial Assessments and Direct Payments	£0	£0	£0	£0	£53,791
	Disabled Facilities Grants	£30,000	£0	£0	£0	£49,500
Revenues	Single Person Discount	£3,173	£0	£0	£0	£19,857
	Council Tax Reduction	£4,930	£0	£0	£0	£2,913
	Beds in Sheds	£12,367	£0	£0	£0	£36,657
	Housing Benefit Overpayments	£23,312	£0	£0	£0	£22,575
	Other savings/loss prevention	£5,866	£0	£0	£0	£56,298
Blue Badge	Simple Caution & Financial Penalty	£500	£0	£0	£0	£300
Immigration Officer	Housing Homelessness Applications**	£0	£0	£0	£0	£85,138
	Social Care Savings	£20,303	£0	£0	£0	£0
Totals	Loss Prevention Savings	£78,078	£0	£0	£0	£495,426
	Notional Savings	£203,312	£0	£0	£0	£418,575
	Cashable Savings	£26,336	£0	£0	£0	£89,889
	Costs awarded and penalties	£500	£0	£0	£0	£300
	Total	£308,225	£0	£0	£0	£1,004,190

* As at 30th June 2021.

** Average weekly cost against average length of support. This figure fluctuates but has been provided by the Council's business performance team.