

Counter Fraud Overview Report

2022/23

20th February 2023



HILLINGDON
LONDON

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Contents

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	Page
1. Introduction	3
2. The Counter Fraud Strategic Approach	3
3. The Fraud Universe	3
4. The Counter Fraud Plan 2022/23	4
5. Counter Fraud Skills & Resources	5
6. Counter Fraud Reporting	6
7. Measuring Counter Fraud Performance	6
8. Counter Fraud Q3 and Year to Date Update	6
9. Acknowledgement	10
<u>Appendices</u>	
Appendix A – Operational Work Plan 2022/23	11
Appendix B – CFT Substantive Structure	14
Appendix C – CFT KPI Performance	15
Appendix D – CFT Financial Performance	16
Appendix E – Glossary of Terms	17

1. Introduction

The Role of the Counter Fraud Team

- 1.1 The Counter Fraud Team (CFT) 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 CFT underpins the Council's commitment to a zero-tolerance approach to fraud, bribery, corruption, and other irregularities, including any money laundering activity. The CFT is also responsible for delivering the Counter Fraud Strategy and Annual Operational Plan based on the Council's Fraud Risk Universe.
- 1.2 As well as a range of counter fraud activities, the CFT has historically conducted a range of other types of investigative work which do not necessarily have a criminal or fraud element to them, i.e. revenue inspections, disciplinary investigations and other loss prevention work. It also includes preventative work such as fraud awareness training, advising management on fraud risks and counter fraud controls as well as ensuring the Council has up-to-date and appropriate investigation policies and procedures.

The Purpose of the Counter Fraud Overview Report

- 1.3 The Counter Fraud Overview Report sets out a cradle to grave view of the CFT and gives the Finance and Corporate Services Select Committee a high level insight into how the service is run at an operational and strategic level. The report also provides details of counter fraud activity carried out during 2022/23 and the CFT's performance relating to each area of work including financial outcomes.

2. The Counter Fraud Strategic Approach

- 2.1 The published Counter Fraud Strategy for 2022-25 details the approach and core principles of how the CFT will tackle and combat fraud and corruption over the next 3 years. It also highlights the CFT's strategic objectives and provides assurance to key stakeholders by setting out how the Council's exposure to fraud is minimised.
- 2.2 The main principles of the Counter Fraud Strategy are:
 - **Risk Based Approach** – The deployment of resources into the highest areas of fraud risk based upon the Fraud Universe and the risk assessment process.
 - **Partnership & Engagement** – Communicating with service areas and key stakeholders to understand the risks the Council faces whilst creating a counter fraud culture. Offering support to stakeholders by undertaking work streams to identify fraud.
 - **Prevent, Detect, Pursue & Deter** – The cornerstone of the counter fraud approach, with a focus on prevention, as preventative measures are more cost effective than cure.
 - **Innovation & Modernisation** – A focus on delivering an efficient and effective counter fraud service through greater use of technology.
- 2.3 To ensure the CFT can operate effectively in preventing, detecting, and pursuing fraud, a wide range of policies are in place providing a corporate framework to support staff. These corporate policies outline the Council's approach to countering fraud and corruption. Further details on these policies are included in the Counter Fraud Strategy 2022-25.

3. The Fraud Universe

- 3.1 In line with the Counter Fraud Strategy, the CFT deploys a risk-based approach which is embedded into all forms of counter fraud activity, including the triaging of referrals. Specifically, a risk assessment is carried out on all referrals received assessing the available evidence to ensure resources are allocated as effectively as possible.

- 3.2 During the risk assessment process, the CFT will score the assessment based on the following categories:
- **Financial Risk** – What is the potential value of the fraud? What impact does it have on the Council and its residents?
 - **Reputational Risk** – How does this effect the Councils reputation? How would residents and the wider public perceive the Council taking no action?
 - **Operational Risk** – How does this allegation, if true, effect the day to day running of the Council? Is there a need to strengthen processes to mitigate the risk?
 - **Systemic Risk** – Is this a new or emerging risk based on environmental, social, or economic factors? Is this a fraud risk we will likely continue to be exposed to? Do we need to change working practices to combat the risk?
- 3.3 The CFT are responsible for the Council's Fraud Risk Register also known as the Fraud Universe. The universe comprises a list of fraud risks by service area detailing the risk score, mitigation, risk owner and risk direction of travel. The Counter Fraud Management Team periodically review the universe with stakeholders to update current risks and add any new or emerging risks.
- 3.4 As the fraud landscape within the public sector is ever changing, it is important that the CFT keeps up to date with industry news and communicates with key stakeholders to recognise the pressures and risks the Council may encounter. This will give the CFT the ability to adapt and combat the changing fraud risk landscape by deploying resources into the highest areas of fraud risk.

4. The Counter Fraud Annual Operational Plan 2022/23

- 4.1 Set out in **Table 3** at **Appendix A**, is the Counter Fraud Annual Operational Work Plan for 2022/23. The plan has been devised in liaison with key stakeholders and takes into consideration the Fraud Universe and localised financial pressures. The planned operational activity covers proactive and reactive work across a wide range of fraud risks, whilst also retaining the flexibility for the CFT to tackle any emerging risks.
- 4.2 The plan explains the work the CFT will carry out by fraud risk and includes outcomes achieved previously in these areas, as well as the overall risk assessment rating. The plan for 2022/23 includes a variety of activity, which are listed below by type:
- **Criminal Investigations** – Investigations that have a criminal element undertaken by qualified investigators. These investigations normally fall within service areas, where a fraud is alleged to have taken place by a person or business accessing services or funds. Typically, the CFT will investigate offences relating to fraud, theft, bribery and forgery but may where it is in the interest of the Council and its residents, investigate other offences.
 - **Civil Investigations** – These investigations are often where the burden of proof for criminal proceedings cannot be met, or it is not in the public interest to prosecute. These matters are dealt with by way of compliance and may require civil proceedings to bring the case to a resolution.
 - **Disciplinary Investigations** – At times key stakeholders in conjunction with HR may require the assistance of the CFT in disciplinary matters, as per the corporate investigations protocol. The Special Investigations Unit is well equipped to pursue these cases where required to do so.
 - **Proactive Projects** – A series of one-off projects conducted throughout the financial year, targeting the highest risk areas within the Council to drive down fraud, loss and error.

- **Verifications** – A workstream conducted by the CFT to verify the eligibility of service users before accessing a particular scheme. These verification workstreams are embedded into processes within Housing and Social Care. This type of work is the core function behind the CFT’s preventative measures.
 - **Data Matching** – Exercises designed to identify fraud, loss or error by matching internal and external data sets. Returned matches are analysed to verify the veracity of the potential outcomes identified.
 - **Consultancy Work** – Upon request the CFT can carry out a review of service processes highlighting recommendations to improve fraud controls.
- 4.3 Another key feature of the 22/23 plan is a closer collaborative approach to risk and governance between Internal Audit (IA) and the CFT. The CFT will provide greater support to IA in identifying and mitigating fraud risks as part of undertaking IA assurance and consultancy reviews. This will lead to the CFT being alerted to fraud risks at the earliest opportunity and supporting IA in developing measures to prevent fraud.

5. Counter Fraud Skills & Resources

- 5.1 Every member of staff in the Counter Fraud Team is either professionally qualified in counter fraud or is actively studying for a relevant professional qualification supported by the Council. This helps to ensure that the CFT provides a fully professional and effective service. A skills matrix approach is also used as part of monthly one to one meeting as well as at 6 monthly performance reviews.
- 5.2 The CFT operating structure and resource requirements are driven by the annual operational work plan, which in turn is formulated by the high areas of fraud risk identified within the fraud risk universe. The structure has a variety of job posts at different levels. This provides a cost effective way to tackle fraud, loss and error whilst providing resilience and succession planning for the service.
- 5.3 **Chart 1** in **Appendix B** sets out the current structure including the four different units within the service. Listed below are the responsibilities of each of the units:
- **Housing Investigation Unit (HIU)** – The team is responsible for investigations relating to housing fraud including subletting, non-occupation and abandonment of council properties. The HIU also undertakes fraud investigations into false Right to Buy, Succession and Housing applications.
 - **Special Investigation Unit (SIU)** – The SIU investigate all internal matters relating to fraud and where appropriate disciplinary cases. The team also supports Internal Audit conducting consultancy reviews into fraud controls. The team also carries out all work relating to Social Care fraud including blue badge misuse.
 - **Revenues Investigation Unit (RIU)** – The core function of the team is to inspect premises relating to Council Tax or Business Rates with a focus on maximising income received. Officers also investigate cases relating to Council Tax discount & exemptions, Council Tax reduction scheme and unlawful evasion of payment.
 - **Data Analytics Unit (DAU)** – The hub of the CFT, risk assessing referrals, intelligence gathering and providing an administrative function to proactive projects. The team also uses data matching to identify fraud, loss, and error.

6. Counter Fraud Reporting

- 6.1 The CFT reports its progress to Corporate Management Team (CMT) and the Audit Committee (AC) on all matters of counter fraud activity on a quarterly basis. These reports provide an update on performance against KPIs, strategic and operational objectives and delivery against the financial loss prevention target for the year. In addition to this, an annual report is presented to CMT and AC providing a summary overview of counter fraud activity for the financial year including a detailed analysis on team performance and outcomes. This enables CMT and the AC to hold the Head of Counter Fraud to account.
- 6.2 The CFT also liaises with service managers on an ongoing basis in relation to counter fraud activities (where appropriate) as well as delivery of service level agreements. This high level of engagement plays a significant part in the CFT meeting its core principles set out in the Counter Fraud Strategy 2022-25.

7. Measuring Counter Fraud Performance

- 7.1 As the CFT is a support function that works closely with the majority of service areas across the Council, there are a wide range of stakeholders to satisfy, as well as key stakeholders such as CMT and the AC. To monitor counter fraud performance across service areas, outcomes, and objectives a suite of KPIs is in place which are set out in **Table 4** in **Appendix C**.
- 7.2 Each year, as part of the Counter Fraud Annual Report, the management team benchmark performance against other Local Authorities. This data relates to reported figures in counter fraud annual reports to oversight committees from the previous year. There is a significant inconsistency between authorities in terms of what they each report to their oversight committees and the variation in values they each place on individual activities. As a result, this makes comparison between authorities in terms of individual counter fraud work areas difficult to quantify. Nevertheless, there are several areas of general commonality, including the performance on housing fraud and Blue Badge which are present across most London Boroughs.
- 7.3 The Counter Fraud Strategy 2022-25 sets out nine strategic objectives for the CFT to pursue, which includes the **financial loss prevention target for the year which is set at £3.5m for 2022/23**. This target is reviewed each year with the Corporate Director of Finance and the Cabinet Member of Finance taking into consideration previous savings and the fraud landscape ahead.

8. Counter Fraud Q3 and Year to Date Update

- 8.1 Below is a snapshot of the Q3 Counter Fraud Progress report that was presented to Audit Committee on 31st January 2023. The below details counter fraud activity in Q3 and the year to date across multiple fraud risks, including financial outcomes.
- 8.2 Counter Fraud Overview**
- 8.2.1 The CFT in Q3 has continued to work proactively and reactively across the main fraud risks that are faced. **This has led to the CFT identifying loss prevention savings of c£3.75m in Q3, bringing the year to date total to c£10.7m against a target of £3.5m.** A full breakdown of financial outcomes throughout the year by quarter is available in **Table 5** at **Appendix D**. The majority of Counter Fraud activity in Q3 has been in the are of Housing, with tenancy fraud investigations as the main focus.

8.2.2 As part of the CFT’s commitment to strengthening the counter fraud culture within the Council, the team are continuing to carry out fraud awareness sessions to colleagues throughout the organisation. During the financial year, **9 fraud awareness sessions have been conducted to various services** including Housing Services and the Members & Complaints team. The purpose of these sessions is to raise awareness and discuss the different types of potential fraud that could occur within service areas.

8.3 Housing Fraud

8.3.1 In Q3 the CFT has continued to focus its efforts on the high volume of tenancy fraud cases. This approach has led to the **recovery of a further 25 council properties, resulting in £1.4m of notional savings**. The number of properties recovered has increased steadily over 22/23 due to proactive projects and high-quality referrals. This brings **the year to date properties recovered to 62 exceeding 2021/22 recovery figure of 42**. The recovery of Social Housing stock by the CFT provides a much needed supply of properties at a time when the Council faces unprecedented levels of demand. As per **Table 1** below, non-occupation continues to be the key area of tenancy fraud risk.

Table 1 ~ Housing Tenancy Fraud Cases

Case Type	Q1	Q2	Q3*	2022/23*	£k/value**
Abandonment	0	0	0	0	£0
Deceased	3	6	4	13	£728k
NFI Fraud Hub	0	0	6	6	£336k
Non-Occupation	6	10	11	27	£1,512k
Sub-Let	4	3	2	9	£504k
Wrongful Succession	2	3	2	7	£392k
Total Properties Recovered	15	22	25	62	£3,472k

* As at end of Q3 (31st December 2022).

** Tenancy Fraud Forum valuation.

8.3.2 There are currently **129 ongoing investigations relating to tenancy fraud and deceased tenants**. Notices to end tenancies have been served on 19 of those cases and a further **10 cases are currently with our legal team**. The team have also obtained 4 possession orders following legal proceedings, which are awaiting enforcement action. The outcomes of these cases will be reported in Q4.

8.3.3 Due to the current economic climate there has been an increase in demand for housing and **Bed and Breakfast (B&B) emergency accommodation**. Therefore, in Q3 the CFT focused on an additional proactive project conducting residency checks to all emergency accommodation placements to highlight any instances of non-occupation or subletting.

8.3.4 To date a total of 226 B&B properties have been visited, and in Q3 the **CFT has closed 6 emergency accommodation units due to non-occupation, resulting in savings of c£48k**. There are 51 properties which still require visits to confirm residency, and **11 cases have been opened** highlighting concerns of suspected non-occupation. Working in this area is ongoing with further outcomes to be reported in due course.

8.3.5 The CFT carry out verification checks on all Right to Buy applications submitted to the Council, to provide assurance that those who apply are eligible for the significant discount and that the funds used for the purchase abide by money laundering regulations. In Q3 the CFT have received 11 RTB applications to verify and cancelled **3 RTB applications** resulting in **savings of c£335k**.

8.4 Revenues Fraud & Inspections

8.4.1 In the area of Revenues, the CFT has continued to maintain a high level of performance and again exceeded their KPI target (refer to **Table 4** at **Appendix C**). In Q3, as detailed in **Table 2** below, the CFT has **conducted 1,782 inspections, with 1,759 (99%) visited within the 10-day KPI target**.

Table 2 ~ Revenues Inspections Performance 2022/23

Revenues Inspections	Q1	Q2	Q3*	2022/23
Total number of inspections completed	2,149	2,741	1,782	6,672
Percentage within 10 day target	99%	99%	99%	99%

* As at end of Q3 (31st December 2022).

8.4.2 During Q3 the CFT has identified a further **8 previously unlisted properties** made up of 'Beds in Sheds'. As a result, an additional **c£10k of loss prevention savings** has been identified following the issue of revised Council Tax bills to the liable parties. In addition, 4 properties are pending a decision from the Valuation Office Agency (VOA).

8.4.3 The CFT throughout Q3 has actively investigated cases relating to the **Revenues Maximisation Project**. The team working in collaboration with its external suppliers have identified businesses that should be listed for NNDR but are not currently rated. **During Q3 a total of £1.8m in billings have been issued to businesses, bringing the year to date total billings to c£5.9m**. This work has a direct impact in maximising the Councils income and highlights the importance of using investigative techniques to determine Business rates liability.

8.4.4 The HCF notes that there have been some exceptional items found in this area of work, leading to significant one-off savings. Although this is positive, it is unlikely that the CFT will continue to find savings of this level as the project goes on. However, the CFT have additional project work planned in Q4 targeting sustained performance in this area.

8.5 Social Care

8.5.1 The CFT has continued to conduct activity in the area of Social Care. Like Housing, the current economic climate presents the opportunity for high levels of fraud within Social Care. The CFT are actively working with management in Social Care to mitigate these risks and to ensure the CFT is operationally ready to tackle any increased or emerging risk.

8.5.2 A recent investigation into a Housing fraud highlighted cross cutting risks within Social Care. The CFT worked across multiple services areas to conclude an on-going non-occupation case. Officers identified that despite a service user having a live tenancy in place, the Council were paying out considerable sums of money to meet the service users care needs by brokering a residential care placement that was not required. With a multi-service approach taken, residential care payments were stopped, and the service user was supported back into independent living. **This resulted in significant savings of c£14k**.

8.5.3 This heightened risk has led to the **CFT opening 5 investigations into matters of Social Care fraud**. These investigations are extremely complex and span a wide area of Social Care including Direct Payments, Commissioned Care and Special Guardianship Orders. **In total these cases are valued at over £225k.**

8.5.4 In addition to the review, the CFT conducted a total of **165 financial assessment verifications this quarter, with one case of Single Person Discount fraud identified**. This resulted in **loss prevention savings of c£403**. Of the 165 verifications, a total of 17 requests were not verified. With checks undertaken to identify instances of hidden assets, income or capital, all **17 cases are undergoing additional checks** to determine each services user's eligibility.

8.6 Blue Badge Fraud

8.6.1 Q3 marked a successful quarter for the team with the conclusion of two lengthy Blue Badge investigations. Following the team's reported participation in the London Wide Blue Badge Day of Action and the teams proactive project at Ruislip Lido, **two offenders received fixed penalty notices totalling £200** due to Blue Badge misuse. In addition, **both offenders received Simple Cautions as an alternative to criminal proceedings**.

8.6.2 This quarter further demonstrated the team's agile approach in tackling Blue Badge misuse across the borough, with counter fraud resources deployed in Hayes and outside a school in Uxbridge, following reports of Blue Badge misuse. **One offender received a £100 fixed penalty notice and Simple Caution**, the second incident remains under investigation, with enquires ongoing.

8.7 Onsite Immigration Official

8.7.1 The Onsite Immigration Official (OSIO) has played an instrumental part in the CFT's preventative measures across the Council. The OSIO provides real time data on a person's status to service areas. This helps determine the eligibility of an applicant for assistance and prevents those that are not entitled gaining access to vital services. In Q3 the OSIO has continued to provide a value for money service **identifying c£56k in savings across Housing and Social Care. This brings the year to date savings by the OSIO to c£126k which represents a 39% increase on 2021/22.**

8.8 London Counter Fraud Hub

8.8.1 The CFT joined the London Counter Fraud Hub (LCFH) at the start of the financial year. The hub is designed to bring London Boroughs together, sharing data to identify fraud, loss or error. This innovative approach will also use the power of data to uncover cross borough frauds.

8.8.2 As reported in Q2, the CFT completed its first in house data matching exercise using the LCFH which matched tenancy records against the death register identifying 5 properties where the Council was unaware that the tenant had passed away. Utilising the unique capabilities of the LCFH this match is now embedded within the hub and automatically provides refreshed matching every two weeks. This maximises loss prevention by ensuring that cases are identified at an early stage. In Q3 the LCFH has identified a further **5 properties** where the Council was unaware that the tenant had passed away.

8.8.3 Members of the CFT have joined a working group set up by The London Boroughs' Fraud Investigators' Group (LBFIG) which is developing innovative bespoke data matching reports to identify cross borough fraud in identified high risk areas. Reports from these matches are expected in 2023/24.

9. Acknowledgement

- 9.1 The CFT 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 financial year. There are no other counter fraud matters that the HCF needs to bring to the attention of the Finance & Corporate Services Select Committee.

Alex Brown APCIP
Head of Counter Fraud

20th February 2023

Set out below is the Counter Fraud Annual Operational Work Plan for the key proactive projects and investigative work for 2022/23.

Table 3 ~ Counter Fraud Annual Operational Work Plan 2022/23

Counter Fraud Activity	Planned Work	Outcomes 2021/22	Risk
Tenancy Fraud & Housing Investigations	The CFT will continue to detect illegal sub-letting and non-occupation of Council properties as referred by colleagues and residents. This also includes false applications for housing, assignment and succession.	42 properties recovered, £756k notional savings	HIGH
Social Housing Residency Checks	A risk-based approach to tenancy residency checks working with the Housing team and using tenancy fraud data to identify hotspots. This will be delivered as part of proactive projects work.		
Housing Fraud Data Review	A new initiative to analyse data held by the Council to identify fraud. The CFT will review a variety of Council held data sets, particularly that already available in Housing, to identify sub-letting and non-occupation.	New for 2022/23	HIGH
Housing Right to Buy (RTB)	The CFT will continue to provide a risk-based verification service of all RTB applications to identify fraud and where appropriate actively investigate applications found to contain suspected misrepresentation.	3 applications closed, £328k loss prevention	HIGH
B&B and Temporary Accommodation Residency Checks	The CFT will continue with annual residency checks on all emergency B&B and temporary housing accommodation. The checks will identify suspected non-occupation and subletting of emergency housing, and false applications.	Outcomes will not be available until Q1 22/23	HIGH
Social Care S.17 Emergency Funding	Desk based checks to confirm eligibility of applicants requiring emergency accommodation and support from Social Care.	6 applications cancelled, £72k in loss prevention savings	HIGH
Unaccompanied Asylum Seeking Children (UASC) Status Checks	The embedded OSIO will periodically check the status of all UASC clients, this helps identify those who's status allows them to access national schemes funding and no longer require funding by the Council.	£65k loss prevention savings identified	HIGH
UASC Project	An annual proactive project identifying suspected subletting or non-occupation of accommodation provided by the Council. A referral process is in place for cases of misrepresentation to be passed to the CFT for investigation.	1 application closed and 2 tenancies cancelled, saving £18k	HIGH

(cont'd)

Table 3 ~ Counter Fraud Annual Operational Plan 2022/23 (cont'd)

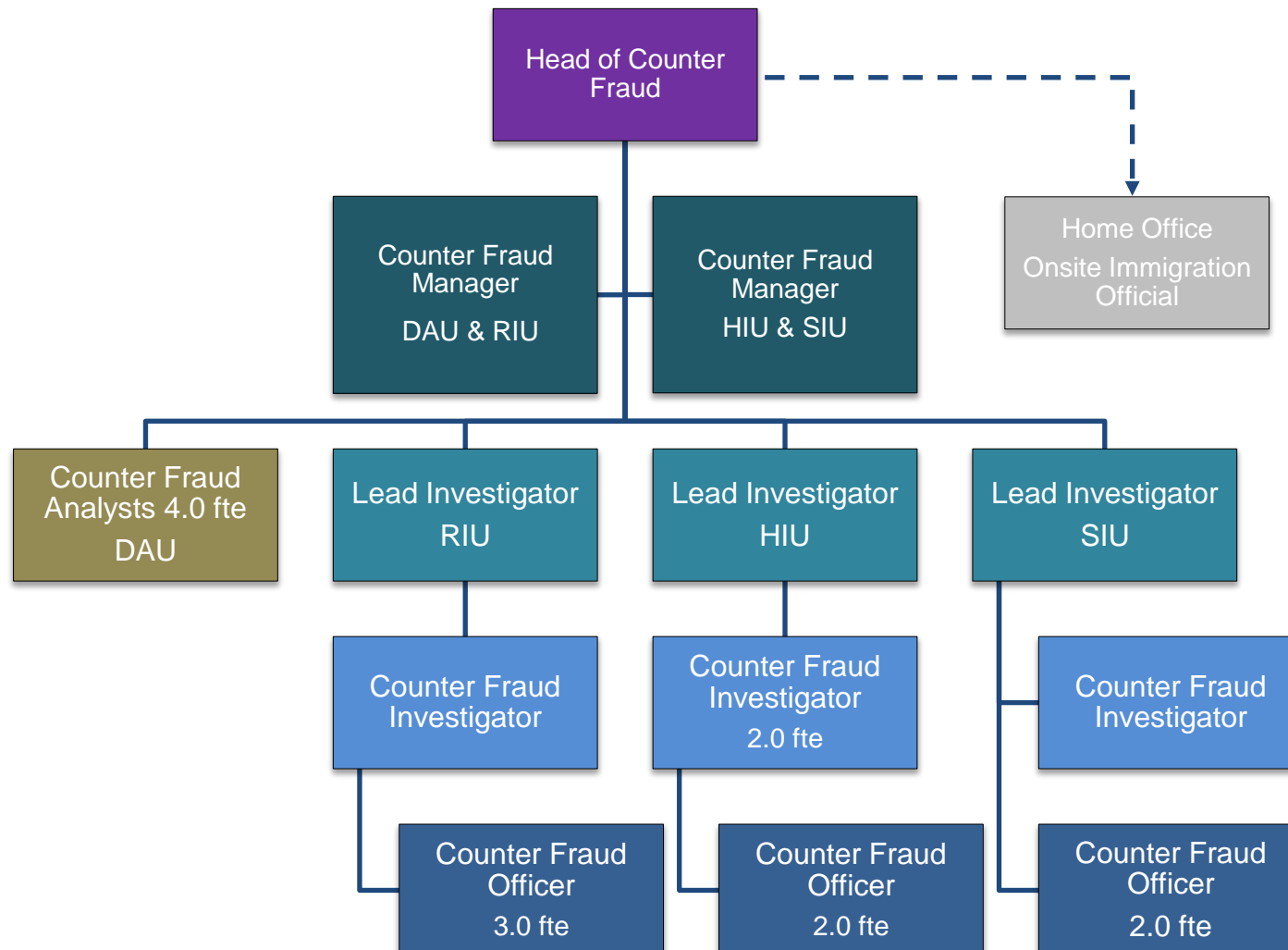
Counter Fraud Activity	Planned Work	Outcomes 2021/22	Risk
Disabled Facilities Grant	Cases of hidden assets, income or fictitious residency will be referred to the CFT's via the referrals process.	£59k loss prevention identified	HIGH
Direct Payments	Cases of funds not being used appropriately, and or misrepresentation of circumstances to access funding towards care costs will be referred to the CFT for investigation.	3 cases under investigation	HIGH
NFI Bi-annual Exercise	Continuous work on statutory data matches from the Cabinet Office, which will be investigated as an ongoing project throughout 22/23. The matches provide a significant contribution to saving areas such as Housing and Revenues.	Bi-Annual exercise not available for 2021/22	HIGH
Revenues Inspections and Investigations	In 2022/23 the CFT will continue to deliver all inspections for Business Rates and Council Tax and develop an investigative approach to Business Rates and Council Tax avoidance and illegal evasion.	8012 inspections conducted in 2021/22 52 active investigations	HIGH
Revenue Maximisation	Proactive project work utilising data to identify previously unlisted or modified domestic or commercial properties that are not paying the correct amount of tax or rates.	£1.3m of previously uncollected NNDR identified	HIGH
Council Tax Discounts & Exemptions	A proactive desk top data review of discounts and exemptions utilising data matching and in-house data. All discounts found to be fraudulent will be referred to Exchequer Services for removal of discounts/exemptions and investigated for fraud where appropriate by the CFT.	£82k in loss prevention savings	HIGH
London Counter Fraud Hub	Working in conjunction with other London based Local Authorities to create proactive data matching exercises to identify fraud and error in known risk areas leading to loss prevention outcomes.	Not available for 2021/22	MEDIUM
Social Care Financial Assessments	The CFT will continue to verify all applicants who apply for Social Care funding via Financial Assessments to ensure eligibility. The CFT will also conduct a proactive project with the Financial Assessment Team to identify loss prevention savings during the annual review process.	£8k of loss prevention identified	MEDIUM

(cont'd)

Table 3 ~ Counter Fraud Annual Operational Plan 2022/23 (cont'd)

Counter Fraud Activity	Planned Work	Outcomes 2021/22	Risk
Empty Properties/ New Homes Bonus	A yearly proactive project to maximise the grant received from Central Government by identifying empty properties that are now occupied, alongside monitoring new build properties for completion. The net number of properties brought back into occupation by the Council attracts a grant from central government.	Delivered funding £300k above Finance Department's forecast in NHB grant	MEDIUM
Housing Verifications	The CFT will continue to verify applicants who apply for social housing, mutual exchange or succession/assignment.	13 applications closed and 2 cases referred for investigation	MEDIUM
'Beds in Sheds' - Unregistered Residential Dwellings	The Revenues Investigations Unit will identify unlawful and unregistered residential dwellings in order that properties are brought within Council Tax banding and evasion pursued as investigations. Any enforcement action on planning issues will be referred to Planning Enforcement and Housing Standards.	25 cases identified, revenue of £48k	MEDIUM
First Time Buyers Residency Checks	Post purchase residency checks to verify occupation, as continued residency for a set period is a mandatory scheme condition. Any properties where subletting or non-occupation is identified will be further investigated and the grant will be sought for recovery.	2 cases referred for prosecution	MEDIUM
Debt Tracing Enquires	A relatively new initiative that will see the CFT trace debtors that are uncontactable or identify hidden assets and capital to support debt recovery.	£14k recovered through tracing enquiries	MEDIUM
Blue Badge Operations	Bi-annual Blue Badge enforcement projects to confirm lawful use of badges in identified misuse hotspots. A visual presence to provide assurance to residents that the Council takes this fraud seriously and deter misuse across the borough.	11 financial penalties issued	LOW
Fraud Awareness & Engagement	The CFT will continue to provide a program of fraud awareness internally to champion a counter-fraud culture and encourage service provider engagement over fraud risks. This will also include periodic social media communications released to the public to promote awareness and raise the profile of counter fraud activity within the borough.	Delivered 22 awareness sessions	N/A

Chart 1 ~ COUNTER FRAUD TEAM – SUBSTANTIVE STRUCTURE



Key: DAU = Data Analytics Unit, RIU = Revenue Investigations Unit, HIU = Housing Investigations Unit, SIU = Special Investigations Unit.

Table 4 ~ CFT KPIs and Actual Performance

CFT KPIs	Target	Q1	Q2	Q3*	22/23*	21/22
1. Percentage of fraud referrals risk assessed within 3 working days	95%	99%	99%	95%	98%	99%
2. Verification work timescales for completion:						
a. Housing Allocations completion within the target date set by Housing	95%	99%	99%	99%	99%	99%
b. Right to Buy case completion within 28 working days	95%	100%	100%	100%	100%	100%
c. Financial Assessments completion within 7 working days	95%	100%	100%	100%	100%	N/A**
d. Section 17 reviews completion within 7 working days	95%	100%	100%	100%	100%	N/A**
3. Investigation plan completion within 5 working days of case allocation	95%	100%	100%	99%	99%	99%
4. Tenancy fraud referrals received resulting in property recovery	30%	35%	36%	51%	41%	33%
5. Investigations resulting in loss prevention/financial saving outcome	40%	41%	41%	46%	43%	55%
6. Revenue inspections completed within 10 working days of referral date	95%	99%	99%	99%	99%	97%

* As at end of Q3 (31st December 2022).

N/A** = New KPI that has been introduced in the Counter Fraud Strategy for 2022 – 2025.

Table 5 ~ CFT 2022/23 ~ Financial Performance

Work Area	Description	Quarter 1	Quarter 2	Quarter 3*	Quarter 4	2022/23*
Housing	Right to Buy discounts	£0	£336,900	£335,100	£0	£672,000
	Property Recovery (notional savings)	£840,000	£1,232,000	£1,400,000	£0	£3,472,000
	Other savings/loss prevention	£22,491	£40,267	£72,481	£0	£135,239
Social Care	Section 17 and UASC**	£13,128	£0	£0	£0	£13,128
	Financial Assessments	£4,758	£129,749	£14,232	£0	£148,739
	Disabled Facilities Grants	£0	£30,000	£0	£0	£30,000
	Direct Payments	£4,369	£300	£0	£0	£4,669
Revenues	Single Person Discount	£5,697	£5,847	£8,410	£0	£19,954
	Council Tax Reduction & arrears	£6,910	£20,203	£15,830	£0	£42,943
	Unlisted Buildings	£35,995	£17,239	£10,988	£0	£64,222
	Housing Benefit Overpayments	£5,456	£82,224	£428	£0	£88,108
	NNDR	£1,391,666	£2,680,774	£1,844,320	£0	£5,916,760
Blue Badge	Simple Caution & Financial Penalty	£100	£200	£300	£0	£600
Immigration Officer	Housing Homelessness Applications**	£0	£16,107	£8,053	£0	£24,160
	Social Care Savings	£42,335	£11,760	£48,367	£0	£102,462
Totals	Loss Prevention Savings	£72,644	£565,084	£478,235	£0	£1,115,963
	Notional Savings	£2,028,372	£3,592,883	£2,968,100	£0	£8,589,355
	Cashable Savings	£271,789	£445,407	£311,877	£0	£1,029,073
	Costs awarded and penalties	£100	£200	£300	£0	£600
	Total	£2,372,905	£4,603,574	£3,758,512	£0	£10,734,991

* As at end of Q3 (31st December 2022).

** Average weekly cost against average length of support. This figure fluctuates but has been provided by the Council's Business Performance Team.

Glossary of Terms

Beds in Sheds

'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 the Valuation Office Agency (VOA).

Blue Badge

A Blue Badge provides parking concessions and helps people with **non-visible and visible disabilities or health conditions** park closer to their destination. The Blue Badge enables holders to park in designated disabled person's parking bays either on the public highway or privately owned car parks. In addition, badge holders can park on single or double yellow lines for up to 3 hours.

Direct Payments

The Council are responsible for administering direct payments to service users who have been assessed as needing care and support services. The payments are made to allow applicants to access care to meet their social care needs, such as support with living tasks and social activities.

Disabled Facilities Grants

The council offers a range of financial support schemes for people with disabilities, such as the Disabled Facilities Grant (DFG). The DFG is a means tested scheme that allows eligible applicants to receive financial support to make adaptations to their home, if they, or someone living at the property is disabled.

Financial Assessments

The Council is under a financial and legal obligation to carry out this means tested assessment for each service user. The Financial Assessment (FA) identifies whether the applicant(s) is eligible to receive funding towards their care costs.

Fraud Hub

Utilising the existing Cabinet Office infrastructure and systems, most London based local authorities have agreed to upload internally held data sets for proactive data matching exercises. These regularly agreed upon exercises will lead to the identification of possible fraud, loss or error.

National Fraud Initiative

The National Fraud Initiative (NFI) is a data matching exercise co-ordinated by the Government Cabinet Office and conducted every 2 years. There is also an annual review of claimants in receipt of Single Persons Discount data that is matched against the Electoral Roll data. 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.

New Homes Bonus

The New Homes Bonus (NHB) is a grant that is paid by central government to incentivise local housing growth.

Onsite Immigration Enforcement Official

The Onsite Immigration Enforcement Official (OSIO) provides 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.

Right to Buy

The Right to Buy (RTB) process is a statutory scheme whereby a tenant(s) can apply to purchase their Council 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.

Revenue Maximisation

The use of internally held data and the utilisation of external data partners to identify previously unlisted commercial and domestic properties, along with identifying commercial properties that have undertaken modifications or improvements that would result in the revaluation of its Rateable Value (RV). Commercial entities are under no obligation to inform Council Tax as to when they have started trading or if their RV needs to be recalculated. The Council will only retain 15% of the identified rates.

Section 17

The CFT provides assurance and mitigate the risk of fraud within Children's Social Care, in particular the allocation of emergency accommodation provided under Section 17 of the Children's Act 1989. The verification process seeks to validate a family's reason for approach as well as their financial circumstances, as applicants claim to be destitute and requiring accommodation and or financial support. The CFT conducts verification checks on all applicants approaching the Council.

Small Business Rates Relief

The Small Business Rates Relief (SBRR) scheme is designed to reduce the amount of business rates payable by small businesses. This reduction is available to ratepayers who occupy a property with a rateable value of no more than £15,000.

Tenancy Fraud Forum Valuation

As of the 2022/23 financial year, the CFT will be using the new Tenancy Fraud Forum valuation for property recovery. Working in conjunction with the London Boroughs' Fraud Investigators' Group (LBFIG) a new formula has been created to determine how much tenancy fraud costs. The formula considers the annual average temporary accommodation cost per family, the average duration for tenancy fraud, as well as the average investigation, legal and void costs. The agreed calculation for tenancy fraud within the borough is now valued at £56k per property (Previously £18k). The new calculation allows Hillingdon Council to accurately calculate financial savings by factoring in local figures.

Unaccompanied Asylum-Seeking Children

Unaccompanied Asylum-Seeking Children (UASC) are children and young people who are seeking asylum in the UK but have been separated from their parents or carers. Whilst their asylum claim is processed, they are cared for by the Council and provided with accommodation and or financial support.