

BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

From: Head of Corporate Organisation	Report Number: JAC20
To: Joint Audit and Standards Committee	Date of meeting: 3 March 2014

MANAGING THE RISK OF FRAUD AND CORRUPTION – ANNUAL REPORT FOR 2013/14

1. Purpose of Report

- 1.1 This report explains the current arrangements in place across both Councils to ensure there is a pro-active corporate approach to preventing fraud and corruption and creating a culture where fraud and corruption will not be tolerated. It also provides details of proactive work undertaken by Internal Audit to deter, prevent and detect fraud and corruption.
- 1.2 The report also includes the Corporate Counter Fraud Business Plan 2014/15 (**Appendix A**), which will reassure Members of the three Local Authorities that robust processes exist to deal with any corrupt or fraudulent activity.

2. Recommendations

- 2.1 That the Committee notes the progress made in ensuring there are effective arrangements and measures in place across both Councils to minimise the risk of fraud and corruption.
- 2.2 Furthermore, that the Committee notes the contents of the Corporate Counter Fraud Business Plan 2014/15 as set out in **Appendix A**.

The Committee is able to resolve these matters.

3. Financial Implications

- 3.1 Whilst there are no direct implications arising from this report there are potential resource implications concerning anti-fraud and corruption issues. Any implications arising from the need to introduce additional controls and mitigations will be addressed with management. The emphasis at all times will be to improve controls without increasing costs or jeopardising efficient and compliant service delivery.

4. Risk Management

- 4.1 The key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
<p>If robust anti-fraud and corruption arrangements are not in place this could affect the achievement of the Council's strategic aims and priorities, key projects, the delivery of services and its reputation.</p>	<p>Unlikely</p>	<p>Bad</p>	<p>The risk of fraud and corruption in relation to each Council's activities is taken into consideration both as part of each Council's approach to risk management and also in the development of the annual Internal Audit Plan. In practice, each Council's mitigating controls include clear policies and procedures available to all staff and Members; Internal Audit who investigate potential areas of fraud and corruption; the bi-annual participation in the National Fraud Initiative; and a sound internal control environment – as demonstrated by internal and external audit opinions and the Annual Governance Statement.</p>

5. Consultations

5.1 None

6. Equality Analysis

6.1 There are no equality implications

7. Shared Service / Partnership Implications

7.1 Staff are working towards aligning relevant policies and procedures to provide a clear corporate framework to counter fraudulent and corrupt activity.

8. Key Information

8.1 This report shows those responsible for governance how both Councils are looking to fight fraud more effectively. It brings together in one document a summary of the outcomes of our work to deter, prevent and detect fraud and corruption over the last 12 months.

8.2 In a time of austerity, preventing fraud and corruption is even more important to protect the public purse. Every pound lost through fraud cannot be spent on providing public services.

- 8.3 Although both Councils have traditionally encountered low levels of fraud and corruption, the risk of such losses both internally and externally is fully recognised as part of each Council's operations that need to be managed pro-actively and effectively.
- 8.4 Each Council's expectation of propriety and accountability is that Members and staff, at all levels, will lead by example in ensuring adherence to legal requirements, policies, procedures and practices.
- 8.5 Each Council also expects that individuals and organisations (e.g. suppliers, contractors, partners and service providers) with whom they come into contact will act towards each Council with integrity and without thought or actions involving fraud and corruption.

Key issues and drivers

- 8.6 Radical changes are underway as to how local services are to be delivered. The change of emphasis from local government being a provider to a commissioner of services changes the risk profile of fraud, as well as the control environment in which risk is managed.
- 8.7 These changes are happening against a backdrop of depressed economic activity in which the general fraud risk tends to increase.

Raising awareness and openness

- 8.8 A strong counter-fraud culture, with clear principles, ethical standards, and zero tolerance of transgression, is the foundation of an effective response to fraud. The 'tone' from the top is fundamental to establishing a robust and accepted counter-fraud culture. This helps to ensure that all staff are aware of the counter-fraud policy, know, accept and abide by the standards the policy contains.
- 8.9 The Chief Executive has recently agreed to become a Counter Fraud Champion. This followed an invitation from the Executive Director of Corporate Resources, London Borough of Ealing, who is the Local Government lead in the Fighting Fraud Locally (FFL) initiative. The Chief Executive was invited because of her work with the CIPFA Better Governance Forum and because the FFL team having looked at the counter fraud work here in Suffolk.
- 8.10 The Government is challenging the local government community to respond positively to the national FFL Strategy and are looking for very senior (Chief Executive or Director) level advocates.
- 8.11 The benefit of being seen to be supporting this initiative is that the Government believes that there is much money to be saved in this area and although that might not be the case in our two districts compared to some bigger authorities. The Executive Director of Corporate Resources from London Borough of Ealing is of the view that local government will do little to persuade Government on broader funding arguments if we are not seen to be really on top of and championing counter fraud activity.

8.12 In October 2013 the Suffolk Tenancy Fraud Forum was launched with its first meeting in January 2014. The intention is to meet quarterly. The Terms of Reference are presently being drawn up. In essence the forum has been set up to:

- Share good practice amongst local housing providers;
- Learn from other's successes and challenges;
- Provide effective protection against tenancy fraud risks;
- Meeting regulatory standards; Consider the opportunities for joint partnership working including advertising campaign, training and data sharing; and
- Gain the trust of your tenants and customers.

8.13 The Home Office has produced a high-quality, engaging, interactive multimedia document fraud e-learning training tool to assist staff with spotting fraudulent documents that may be presented as evidence of a right to work or reside in the UK. In a wider context this e-learning tool is extremely useful for staff who handle documents in respect of ID, e.g. Housing and Homeless; Licensing; Grants anywhere in the organisation that provides a service to someone. The e-learning training tool also includes an assessment at the end of each topic.

8.14 The e-learning training tool has been issued to the Integrated Management Team with a request that they forward this onto their staff where their role includes verifying documents and identities and they are actively encouraged to successfully complete the assessments.

8.15 Further work continues on raising fraud awareness across the Councils and includes:

- Alerting relevant staff of National Fraud Bulletins and ensuring that associated internal controls are robust;
- Timely reminders are sent to Members and staff of their responsibilities within their respective Codes of Conduct, regarding declaration of interests, gifts and hospitalities; and
- Completion of national fraud and corruption surveys.

8.16 Both Councils are committed to being open and transparent. The published Communities and Local Government (CLG) Code of Recommended Practice for Local Authorities on Data Transparency has set out data publishing requirements on Local Authorities. This includes expenditure over £250 (previously £500), including costs, supplier and transaction information. This information has been published on each Council's website to enable the public to see how their money is spent.

Audit Planning

8.17 Fraud and corruption risks are identified as part of the annual planning process and contribute to the overall formation of audit coverage.

8.18 The 2014/15 annual Audit Plan has an allowance for internal audit to undertake irregularity investigations, National Fraud Initiative (NFI) investigations and proactive anti-fraud and corruption work.

Policies and Procedures

8.19 Each Council is committed to ensuring that any opportunities for committing fraud and corruption are minimised. To support this each Council has a range of interrelated policies and procedures that provide a corporate framework to counter fraudulent and corrupt activity. These have been formulated in line with appropriate legislative requirements and are available to all through each Council's website and intranet facility.

National Fraud Initiative (NFI)

8.20 Councils are required to participate in the biennial NFI, the Audit Commission led exercise involving data matching of records nationally from public service databases. Internal Audit take a leading role in co-ordinating this exercise across both Councils and with the Shared Revenues Partnership (SRP) and the Counter Fraud Partnership working across a number of service areas to support staff in providing data and subsequently investigating and recording the results of matches.

8.21 The results of matching the data submitted to the Audit Commission for the NFI 2012/13 exercise are as follows:

Babergh results:

- 1,776 data matches were identified. Of these, 552 matches were identified as high priority cases for investigating. As at the end of January 2014, these cases along with 282 medium priority cases have been processed.
- 6 frauds have been identified totalling £16, 479.43, and all relate to Housing Benefit claims.

Mid Suffolk results:

- 1,266 data matches were identified. Of these 186 matches were identified as high priority cases for investigating. As at the end of January 2014, these cases along with 549 medium priority cases have been processed.
- 1 fraud has been identified totalling £8,476.24, and relates to a Housing Benefit claim.

Benefit Fraud

8.22 The Counter Fraud Partnership team based at Ipswich Borough Council is a section within the Audit Partnership that was formed in 2011. The team is an amalgamation of existing investigators from Ipswich Borough Council, Babergh and Mid Suffolk District Councils. The team undertakes dedicated fraud prevention, detection, investigation and intelligence activities on behalf of the three Councils.

8.23 **Appendix A** details the Corporate Counter Fraud – Business Plan 2014/15 and has been incorporated within this report to reassure Babergh and Mid Suffolk stakeholders that robust processes exist to deal with any corrupt or fraudulent activity.

8.24 A breakdown summary of the benefit fraud cases for 2013/14 up to the end of December 2013 is supplied by the Counter Fraud Partnership team and contained within the Business Plan – **Appendix A**.

Reported corporate fraud cases during 2013/14

8.25 Housing Tenancy Fraud cases – Since April 2013 Community Housing Officers have investigated 16 cases of suspected housing related frauds (10 in Babergh and 6 in Mid Suffolk). These have been as a result of anonymous complaints/whistle blowing, intelligence gathered by Community Housing Officers, and /or as part of matters that initially involved work undertaken by Tenant Services for example; welfare checks, missed gas servicing, empty or unkept properties.

8.26 The results of the investigations are summarised below:

- Recovery of six properties (3 in Babergh and 3 in Mid Suffolk). These related to non occupation of the principal home, which have subsequently been re let to those in greatest need;
- One tenant repaying £700 council tax for submitting a fraudulent council tax application;
- One private tenant facing a criminal trial for receiving £20k in Housing Benefit for which they were not entitled to;
- The prevention of a Right to Buy (RTB) application which was at an advanced stage, but was prevented because the tenant had lost security of tenure due to living at a property they had inherited. The value of the RTB was £112k;
- 5 cases are ongoing (4 in Babergh and 1 in Mid Suffolk); and
- No further action was required in two cases following investigation.

8.27 In addition to the creation of the Suffolk Tenancy Fraud Forum (refer to paragraph 8.12) the following activities will be developed to identify and prevent housing tenancy fraud in the future:

- Draft Tenancy Fraud Policy;
- Amendments to the current tenancy agreement to provide greater freedom to tackle housing fraud proactively;
- Consideration being made to an agreement with Call Credit to carry out a sample audit of our tenancies to establish potential levels of fraudulent activity; and
- Raising greater staff awareness through relevant training.

Looking ahead

8.28 The Local Audit and Accountability Bill contains provision for the closedown of the Audit Commission in March 2015.

8.29 The government has announced that the NFI data matching exercises will be transferred to the Cabinet Office on 1st April 2015. This will allow the NFI to continue to provide two-yearly data matching activities.

8.30 Some areas where a focus can be expected for 2014/15 are as follows:

- Babergh and Mid Suffolk's Anti Fraud and Corruption Policy to be reviewed with the aim of producing one aligned document in line with good practice. For ease of reference it is intended to incorporate the Money Laundering Regulations and Bribery Act policies into this document, thus forming a comprehensive Anti-Fraud and Corruption document. This will be available to all on each Council's website and intranets;
- Continue ongoing NFI exercise;
- Supporting both Councils to improve levels of awareness of fraud risks amongst staff;
- Work with neighbouring Councils to share knowledge and expertise on anti-fraud and corruption measures.

8.31 In addition, more audit attention will focus on those fraud risks that are growing nationally. These include:

- Housing tenancy fraud – includes for example: unlawfully subletting; providing false information in a housing application; wrongful tenancy assignment and succession; and failing to use a property as the principal home; and
- Right to Buy applications – frauds occurs when someone occupying a property unlawfully applies for a discount, or when a legitimate tenant provides false information on application. The increase is likely to be as a result of two principal factors: generally increased activity against tenancy fraud combined with an increase in discount offered.

8.32 As we face reduced funding and new national counter-fraud arrangements both Councils need to assess fraud risks effectively to target resources where they will produce most benefit. Namely:

- Maintain capacity to investigative non-benefit fraud following the introduction of the Single Fraud and Investigation Service;
- Focus more effort on detecting non-benefit fraud, as outlined in paragraph 8.31 above; and
- Ensure we have the right skills to investigate all types of fraud.

Conclusions

8.33 Both Council's current Anti-Fraud & Corruption and Whistleblowing Policies, which are due to be reviewed and combined, supported by a sound network of systems and procedures continue to provide a clear framework for preventing and tackling fraudulent and corrupt acts against each Council. Both Councils must nevertheless remain vigilant.

9. Appendices

Title	Location
(a) Corporate Counter Fraud – Business Plan 2014/15	Attached

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Corporate Counter Fraud –

Business Plan

2014 – 2015

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1 Introduction

- 1.1 Local Authorities have a duty to safeguard public funds and take responsible steps to ensure that Housing and Council Tax benefit payments are made to the right people at the right time. All Members, managers and staff of the three Councils who share the counter fraud partnership capability are committed to a zero tolerance of any fraudulent activity.
- 1.2 The Counter Fraud Team based at Ipswich Borough Council Offices is a section within the Audit Partnership that was formed in 2011. The team is an amalgamation of existing investigators from Ipswich Borough, Mid-Suffolk and Babergh District Councils. It undertakes dedicated fraud prevention, detection, investigation and intelligence gathering activities on behalf of three Local Authorities.
- 1.3 The team receives referrals from internal staff, external agencies and departments (including the data matching exercises) along with anonymous referrals from members of the public. A confidential telephone Fraud 'Hotline' (Tel: 01473 433999), is available for members of the public to report their suspicions of benefit and housing fraud. In addition, fraud referral forms are available to staff and the public at various Council establishments and suspected fraud can also be reported via the Council websites on the Internet.
- 1.4 In all cases where fraud is suspected or alleged, resources from the investigation team will be allocated to assess the cases; we may involve partner agencies where necessary and appropriate. Potential investigations are not solely focused on benefit fraud but can involve any suspicion of fraudulent or corrupt activity involving the work of the partnership Authorities, both internally and externally.
- 1.5 Examples of the widening scope of investigations at Ipswich Borough include tenancy fraud, right to buy fraud and undertaking whistleblowing investigations. A number of activities authorised under Proceeds of Crime Legislation are also now pursued across all partnership Authorities as a team member is trained as an Accredited Financial Investigator.
- 1.6 This Business Plan will reassure stakeholders within the shared Audit Partnership areas that robust processes exist to deal with any corrupt or fraudulent activity.
- 1.7 From October 2014 Central Government has planned that Local Authority Fraud Investigators will transfer to the Department of Work and Pensions in a phased process, potentially completing during 2016. This Business Plan will be operating until that change occurs.
- 1.8 When this transfer occurs for the Fraud Partnership Authorities the existing contract based upon benefit investigations will no longer exist. All non-Housing Benefit related fraud activity will remain with each Local Authority under the direction of the Head of Internal Audit.

2 Aims and Objectives

2.1 This Business Plan:

- Sets out the key activities the Service delivers;
- Sets out targets for the Service to achieve and the resources allocated to the Service to achieve these targets;
- Identifies the main risks associated with delivery of the targets;
- Identifies key changes proposed for 2014 to 2015 and highlights future changes in the Service.
- Provides a performance update to the end of quarter 3 in the current year (this is at the specific request of Babergh and Mid Suffolk District Councils. A complete post year performance report is produced, presented and published every summer to each Local Authority in the Audit Partnership).

2.2 This Plan has been agreed between the relevant partnership Heads of Service, members of the Shared Revenues Partnership Board and will be reported to the appropriate Committees of the three Authorities.

2.3 Colleagues within the Service Area have been consulted upon the requirements of the plan. The responsibility for monitoring performance in this area lies with the members of the Audit Committees, Shared Revenues Partnership Board and general performance delivery is managed by the Corporate and Counter Fraud Manager. Formal performance reports will be made to the relevant Committees of the Partnership Authorities twice yearly until the transfer of investigators to the Department of Work and Pensions.

2.4 Whilst the focus of this Business Plan is on 2014 to 2015 it also sets out particular challenges that are likely to occur as the benefit elements of the Service moves away from Local Authority control over the next two years.

3. The main issues for the Corporate Counter Fraud Service that are expected to arise in 2014 include:

- I. Ipswich Borough Council are conducting a 'Transformation Programme' in all Service Areas but the impact, if any, on the role of the Corporate Fraud Investigation Service is unknown at this time.
- II. Informing and training staff in the policies, priorities and processes operated by the Department of Work and Pensions in readiness for the 2014-2016 transfer.
- III. Developing the pro-active Corporate Fraud activities of the Service with more priority being given to Housing Tenancy Fraud and Right to Buy allegations in the Ipswich Borough Council area.
- IV. Directing additional investigative and asset recovery work against convicted offenders where appropriate.
- V. Providing support to the Audit Partnership Manager in the delivery of Money Laundering training across Partnership Authorities.

- VI. Achieving budgetary targets for the Service.
- VII. Improving understanding across all Partnership Authorities about the assistance the Service can provide in many enforcement areas, not least, developing capacity for the seizure of assets to increase revenue income.
- VIII. Preventing and detecting fraud of the Housing and Council Tax Benefit schemes by providing fraud awareness training to staff in the Shared Revenues Partnership.
- IX. Identifying fraudulent overpayments and contributing to the identification of incorrect benefit payments in order to maximise the subsidy which can be claimed by the authority and prevent financial penalty.
- X. Progress the application of Administrative Penalties, Formal Cautions and referring cases for prosecution or, where appropriate, to jointly sanction or prosecute offenders in partnership with the Department for Work and Pensions (DWP).
- XI. Publicise the work of the Anti-Fraud Team to the public at large through the Partnership Press Officers.
- XII. Investigating suspected fraud in other areas at Ipswich Borough Council and, when required, 'Whistleblowing' referrals or internal disciplinary investigations.
- XIII. Undertaking National Fraud Initiative data matching activities and such local proactive Fraud Drives assessed as a priority.
- XIV. The proposed target in relation to identified benefit loss by fraud and error to the Shared Revenues Partnership will be £50,000 in excess of the budget provided of £340,000 i.e. £390,000.

4 Description of Service Considerations

- 4.1 Investigation of benefit fraud is recognised as a sensitive area and must take into account Customer Care Policies and Human Resource Policies of the three Local Authorities.
- 4.2 The Corporate Fraud Team act in accordance with existing national best practice. Investigators report the outcome of an investigation to a manager for an appropriate sanction to be considered. Sanctions will include prosecution, issuing Administrative Penalties (or fixed penalties in accordance with the Department of Work & Pensions, "Fraud and Error Penalties and Sanctions" report dated October 2011), issuing a Formal Caution or an informal warning. Other corporate fraud identified may well lead to criminal law action.

5 Additional Work Activity Planned for 2014 – 2015

Change	Objective	Additional LA Costs above staff time	Impact	Dependencies
Introduce new emerging working practices in line with those at DWP by October 2014.	To standardise working practices in anticipation of the DWP, LA & HMRC amalgamation planned from October 2014.	Zero	Existing LA policies will be superseded and the benefit fraud investigation role transferred lost.	Timeliness of DWP Change Management Project Plans.
Develop additional proactive fraud work; particularly Housing Tenancy Fraud cases.	To detect cases of fraud such as illegal sub-letting to increase social housing availability. Currently only at Ipswich Borough Council.	Zero	Improved internal working and protection of the social housing stock.	Publicity of fraud reporting avenues. Allocation of suitable investigative capacity. Support from IBC Tenancy Services.
Develop a robust 'due diligence' process particularly for Right to Buy and investigate anomalies at Ipswich Borough Council.	To detect cases of fraud and potential money laundering activities.	Zero	Improved internal working and protection of IBC housing stock	Continued support from the IBC's Corporate Management Team, Right to Buy Team and Legal Services.
Establish robust working protocols with external partners.	To improve joint partnership working and appropriate information exchange.	Zero	To define investigative roles and to ensure partner expertise is best used.	The willingness and resource availability of enforcement partners to engage and assist.

6 Fraud Partnership Resources

6.1 Budget

The budget cost for the Fraud Investigation Services provided to the SRP was reduced during 2013 from £370,000 to £340,000. Fraud Service Performance in the area of benefit fraud detection has increased by some 61.5%.

The percentage contribution of each partnership Authority to this annual budget remains the same, actual payments have been reduced to:-

- Ipswich Borough Council 59.14% or £201,076 from £218,818
- Babergh District Council 26.32% or £ 89,488 from £ 97,384
- Mid-Suffolk District Council 14.54% or £ 49,436 from £ 53,798

6.2 The Head of Housing and Customer Services has contributed budget to cover proactive and reactive anti-fraud work in this service area during the year and plans to continue financial support in 2014-15.

6.3 Staff

The compliment of the Fraud Team during much of 2013 was 8.1 FTE; 1 manager full time, 1 team leader full time, 4 investigators full time, 2 part time investigators providing 1.5 FTE and 2 part time Support Staff providing 0.6 FTE.

Going forward into 2014 one investigator transferred to a new role and the compliment is now 1 manager full time, 1 team leader, 5 full time investigators and 2 part time support staff providing 0.6 FTE. There is a current vacancy equating to a 0.5 FTE investigator, which is currently being assessed as part of the Transformation Programme.

APPENDIX A – Performance: April – December 2013

7 Interim Partnership Performance 1 April 2013 to 31st December 2013

Key Performance Indicators & Interim Performance to Q3 (year 2013 - 14)

- 7.1 The Department of Work and Pensions require a quarterly return from the fraud service that assesses performance in the areas of; the number of benefit investigations, the number of sanctions and the number of investigators available. The Department for Work and Pensions has removed targets and comparators for and between Local Authorities and the security grant has been based upon historic performance.
- 7.2 At the start of this performance period a whole team performance indicator was agreed. That indicator was to identify, through investigations, loss by fraud and error to the SRP partnership authorities the cost of the Fraud Service budget plus £50,000. All staff have been working towards achieving that target of identifying £420,000 in losses to the Councils for the 2013 – 2014 financial year; the original £370,000 budget for the fraud service plus £50,000.
- 7.3 By 31st December 2013, the end of quarter 3, the total figure for fraudulent benefit activity identified by the Fraud Service, across the partnership, stands at £597,000 compared with £370,000 at the same point last year. This is a significant outcome with an additional £227,000 identified from fraud and error on behalf of the SRP service.
- 7.4 The Fraud Service also continued to work with Housing Tenancy Services in Ipswich during 2013 to assist in identifying tenancy fraud relating to Council Housing; usually sub-letting by tenants. A notional target to reclaim one property through this work by the end of this performance period was agreed with Housing Tenancy Services. 11 Council properties have now been reclaimed through investigative work (1 at MSDC, 1 at Babergh and 9 at Ipswich) and others are likely to be reclaimed prior to year-end.
- 7.5 Other Local Authorities now use an indicative figure of £18,000 per property reclaimed through tenancy fraud investigations. This is the estimated cost to the Council for providing emergency accommodation due to the lack of housing stock. Using this figure some £198,000 has been saved for partnership authorities at the end of quarter 3 through fraud investigations with further cases being progressed.
- 7.6 Another area new to the Fraud Service has been focused at Ipswich, but is a service available to both Babergh and Mid-Suffolk District Councils. This is allocating some capacity of an experienced investigator to provide robust 'due diligence' checks for the Right to Buy Process. By the end of quarter 3 there have been 7 applications withdrawn due to continuing fraud investigations. With a notional cost of a new house build of £150,000, a saving of £1,050,000 has been made through this work to date because the sales have not progressed.
- 7.7 A further 19 applications were withdrawn once initial contact had been made by the Fraud Investigator and before a full investigation had been started; these were withdrawn for unknown reasons. Additionally three Suspicious Activity Reports have been made to the National Crime Agency.

Individual Council Performance Figures (previous 2012 - Q3 in brackets)

7.8 Mid Suffolk District Council – Performance: 01.04.13 – 31.12.13

Approximate Number of H & C Tax Benefit customers:	5700	(5600)
Referrals:	129	(149)
Cautions:	1	(5)
Administrative Penalties:	1	(11)
Prosecution:	7	(5)
Overpayments identified:	£102,000	(£142,000)

7.9 Babergh District Council – Performance: 01.04.13 – 31.12.13

Approximate Number of H & C Tax Benefit customers:	6300	(6600)
Referrals:	133	(188)
Cautions:	8	(7)
Administrative Penalties:	6	(6)
Prosecution:	13	(7)
Overpayments identified:	£134,000	(£47,000)

7.10 Ipswich Borough Council – Performance: 01.04.13 – 31.12.13

Approximate Number of H & C Tax Benefit customers:	15400	(15300)
Referrals:	415	(386)
Cautions:	17	(13)
Administrative Penalties:	12	(13)
Prosecution:	22	(16)
Overpayments identified:	£361,000	(£181,000)

7.11 Tenancy Fraud

- No. cases investigated – 66
- No. positive outcomes – 11 (including 1 at MSDC & 1 at BDC)
- No. properties returned to housing stock – 11 (including 1 at MSDC and 1 at BDC)
- Notional saving – £198,000 (£18K per property*)
- Investigative hours - 622

*Protecting the Public Purse 2013 – page 21 paragraph 53

7.12 Right to Buy (RTB) – Due Diligence (IBC only)

- No. cases assessed – 113
- No. investigations where fraud/money laundering suspected - 5
- No. of investigations where RTB anomalies lead to cancellation by IBC – 2
- No. of cases withdrawn for various reasons after initial contact – 19
- No. cases of suspected money laundering referred to NCA* – 3
- Notional savings to IBC (7 properties) - £1,050,000 (cost of replacing a LA property estimated at £150k*)
- Investigation hours - 254

*National Crime Agency – (Suspicious Activity Reports)

*Protecting the Public Purse 2013 – page 21 paragraph 53

7.13 Homelessness Application Fraud (IBC only)

- No. cases investigated – 1
- No. cases where fraud established – 1
- Notional saving to IBC - £18,000 (£18K per property*)
- Weekly HB saved - £162
- Investigation hours – 10.5 (estimated)

7.14 The totality of identified fraud and error savings (including notional savings) for the Fraud Partnership Authorities across all areas of operation at the end of Quarter 3 2013 is £1,863,000. The team budget for the whole 2013 – 2014 year is £380,000.