

**To:** Audit & Governance Committee  
**Date:** 15 September 2015  
**Report of:** Head of Financial Services  
**Title of Report:** Investigation Team Performance and Activity Briefing

## Summary and Recommendations

**Purpose of report:**

1. To appraise Members of the activity and performance of the Corporate Investigation Team for the period 1 April 2015 to 31<sup>st</sup> July 2015

**Key decision** No

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** Corporate Plan Priority – Efficient & Effective Council

**Recommendation(s):** That the report be noted

## Appendices

Appendix 1- Customer Satisfaction Survey

### Background

1. Following the introduction of the Single Fraud Investigation Service SFIS, the remit of the Investigation Team has moved away from tackling Housing Benefit fraud to a corporate orientated approach aligned to our services' fraud risks and the priorities identified by the Audit Commission.

The aims and objectives of the team are to provide high quality professional corporate fraud investigation services to the Council to prevent and detect fraud and error within the Council and partner organisations, and to assist cross border agencies where possible.

## Performance

2. There are three Service Performance Indicators which are used to track performance on a monthly basis. Performance against these targets is shown in the table below.

<b>Measure</b>	<b>Annual Target</b>	<b>Total to date</b>	<b>Comment</b>
Number of properties returned to housing stock	20	11	55% of the target achieved as at the end of July. Annual target is likely to be achieved by end of 2015
Income raised and payments prevented from non welfare benefit fraud	£200,000	£1,641,313 through £482,806 Income Recovered & £1,158,507 losses prevented	821% of annual target achieved.  See Table 2 for breakdown
Users Satisfied with Investigation Service	95%	100%	*100% satisfaction feedback. (see explanatory note below)

\*By the very nature of the activity of the team, customers are rarely likely to be satisfied about the outcome of an investigation, or that an investigation was even conducted. Customer satisfaction is measured through surveys that are issued to customers after an Interview Under Caution is conducted.

The survey pro-forma is attached at Appendix 1. If the form feedback contains 80% or more "Agree" or "Strongly Agree" answers, the customer is deemed satisfied.

From the 14 responses received of the 19 issued in the period, 100% of the questionnaires were at least 80% satisfied with the service.

3. Table 2 below provides an analysis of the income recovered and loss avoided by the Team.

<b>Table 2 – Breakdown of Income &amp; Savings achieved 1 April to 31 July 2015</b>			
	<b>Income</b>	<b>Loss</b>	
	<b>Recovered</b>	<b>Avoidance</b>	<b>Comment</b>
	£	£	
Council Tax Reduction Scheme	46,378	13,607	Achieved through investigation of benefit claims, 19 of which were closed in the period The loss avoided is based on a standard 32 week entitlement which is the average number of weeks a claim may have continued without intervention
Right to Buy		856,900	11 Right To Buy applications withdrawn following intervention / investigation. 11 x £77,900 (maximum discount)
Council Tax Discount / Exemption adjustments	11,916		Investigation has determined that a discount or exemption entitlement is inaccurate in 11 cases.
Non Domestic Rates	379,816		7 accounts where investigation work has resulted in the discovery of unregistered business premises and the identification of reductions where no entitlement exists
Properties Recovered		198,000	The cost of keeping a family in temporary accommodation for one year as determined by the Audit Commission - £18,000 per property for each of the 11 social properties recovered
Housing Application		90,000	5 General Register Housing Applications stopped through investigation activity preventing temporary accommodation costs or property allocation - £18,000 per instance
Compensation from Proceeds of Crime Investigations	44,696		From capital identified during the course of a criminal investigation, bank accounts frozen and funds confiscated after successful prosecution
<b>Totals</b>	<b>482,806</b>	<b>1,158,507</b>	<b>1,641,313</b>

4. Activity from 1 April to 31 July 2015 included:
- a. 2 cautions administered in respect of Council Tax Reduction Scheme offences
  - b. 6 successful prosecutions relating to Housing Benefit and Council Tax Reduction Scheme cases. Press releases prepared and issued for all prosecutions. Sentences administered:
    - i. 3 cases with 12 month community orders
    - ii. 1 case with a 2 year custodial sentence
    - iii. 1 case with a 1 year custodial sentence
    - iv. 1 case with 26 weeks custodial sentence
  - c. In April, recommendations for improvements were made in the Housing Application process where a potential vulnerability was identified.
  - d. In May, Procurement revised the new creditor set-up process and the Investigation team devised a secure approach for ensuring information provided by suppliers is accurate.
  - e. The team appeared on “Council House Crackdown” in July, a 5 part BBC television documentary detailing the work of Housing Investigators around the country. It was felt that the programme was positive and helped to further raise the profile and awareness of tenancy fraud issues.

#### **Department for Communities and Local Government Grant (DCLG) Funding / Fraud Hub**

5. The development of hub working arrangements are now firmly underway. A number of key actions have occurred which are connected to the aims and objectives of the funding award.
- Fixed Term part-time Legal Officer appointed within Legal Services
  - 18 month fixed term Intelligence Officer recruited within the Investigation Team
  - Training delivered to enhance the generic skill sets of the Investigation Team and refresh criminal interviewing skills.
  - Business Agreement developed and issued to South Oxfordshire District Council and Vale of White Horse District Council for provision of corporate investigation services.
  - Meetings with Oxfordshire County Council held to agree service standards for the provision of investigation services. Business Agreement and Data Sharing Protocols developed and issued to Oxfordshire County Council. Expected to commence work late September 2015.
  - New Case Management system installed and now live. Administrator and User training delivered to staff by supplier. Transfer of cases from old to new case management system underway.

- Recruitment of an 18 month fixed term Senior Investigation Officer / Project Manager now approved, anticipated start date November 2015.
- A number of data sets have been extracted from City Council systems in preparation for data matching with the Data Warehouse software.

### **Fraud and Error Reduction Incentive Scheme (FERIS)**

6. The Council were successful in bidding to the Department for Work and Pensions for funds connected to start-up activity in relation to the FERIS scheme, and received £14,190. Specifically, this relates to engaging the services of a visiting officer and a benefit processing resource to review Housing Benefit claims. In June, a further application was submitted for maintenance funding, (to maintain the start-up activities previously bid for) which was also successful, and a further £19,752 was awarded
7. The aim of the FERIS scheme is to reduce the overall level of Housing Benefit spend by identifying errors and unreported changes in customer circumstances.
8. A recruitment campaign for a 12 month fixed term Visiting Officer post has concluded and shortlisting about to commence.
9. South and Vale District Councils were also successful with their FERIS funding applications. Oxford City Council Investigation Team will be managing and delivering the FERIS visiting activity on behalf of South and Vale District Councils. A Business Agreement to cover this chargeable activity has been developed, issued and signed by the necessary parties to commence this work.

### **Legal Implications**

10. The continuing work of the Investigation Team, coupled with the Council's Avoiding Bribery, Fraud and Corruption, Whistle Blowing and Money Laundering policies and procedures give assurance that the Authority is compliant with the Bribery Act 2010, the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002. Failure to adhere to the Policies would impact on the legal and reputational risk to the Council.
11. All data sharing both internally and externally is covered by Data Sharing Protocols and is conducted in the interests of prevention and detection of fraud, crime and other financial irregularity, as per the provisions of section 29 of the Data Protection Act 1998.
12. Business Agreements devised for joint working with other organisations have been reviewed and approved by Legal Services.

### **Financial Implications**

13. The budgeted net cost of the team excluding income from the Housing Revenue Account is £220,370 for 2015/16 and the team are charged with identifying error and loss to recover these costs as an indication of value for money. The Team were able to achieve this objective in the first month of the financial year.

### **Risk Implications**

14. The risk of fraud both from within the Council's business and impacting on the Council's business may be significant. The maintaining of a fraud investigation resource acts as a deterrent to fraudulent activity and the saving; both cashable and non-cashable has already more than offset the cost of running the Investigating Team.

### **Environmental Impact**

15. The majority of visits undertaken by staff in the Team are done using the Council pool vehicles. All staff are conscious of the environmental implications of service delivery and will always seek the lowest impact route where possible.

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