

# Protecting the Public Purse

## Fraud Briefing 2013

### Bath and North East Somerset Council



# Agenda

- Introduction and purpose of your Fraud Briefing
- *Protecting the Public Purse (PPP) 2013* report – national picture
- Interpreting fraud detection results
- The local picture
- Questions?

## *And do not forget*

- *Checklist for those charged with governance (Appendix 2 of PPP 2013)*
- *Questions councillors may want to ask/consider (Appendix 3 of PPP 2013)*

# Introduction

- Fraud costs local government in England over £2 billion per year (*source: National Fraud Authority*)
- Fraud is never a victimless crime
- Councillors have an important role in the fight against fraud



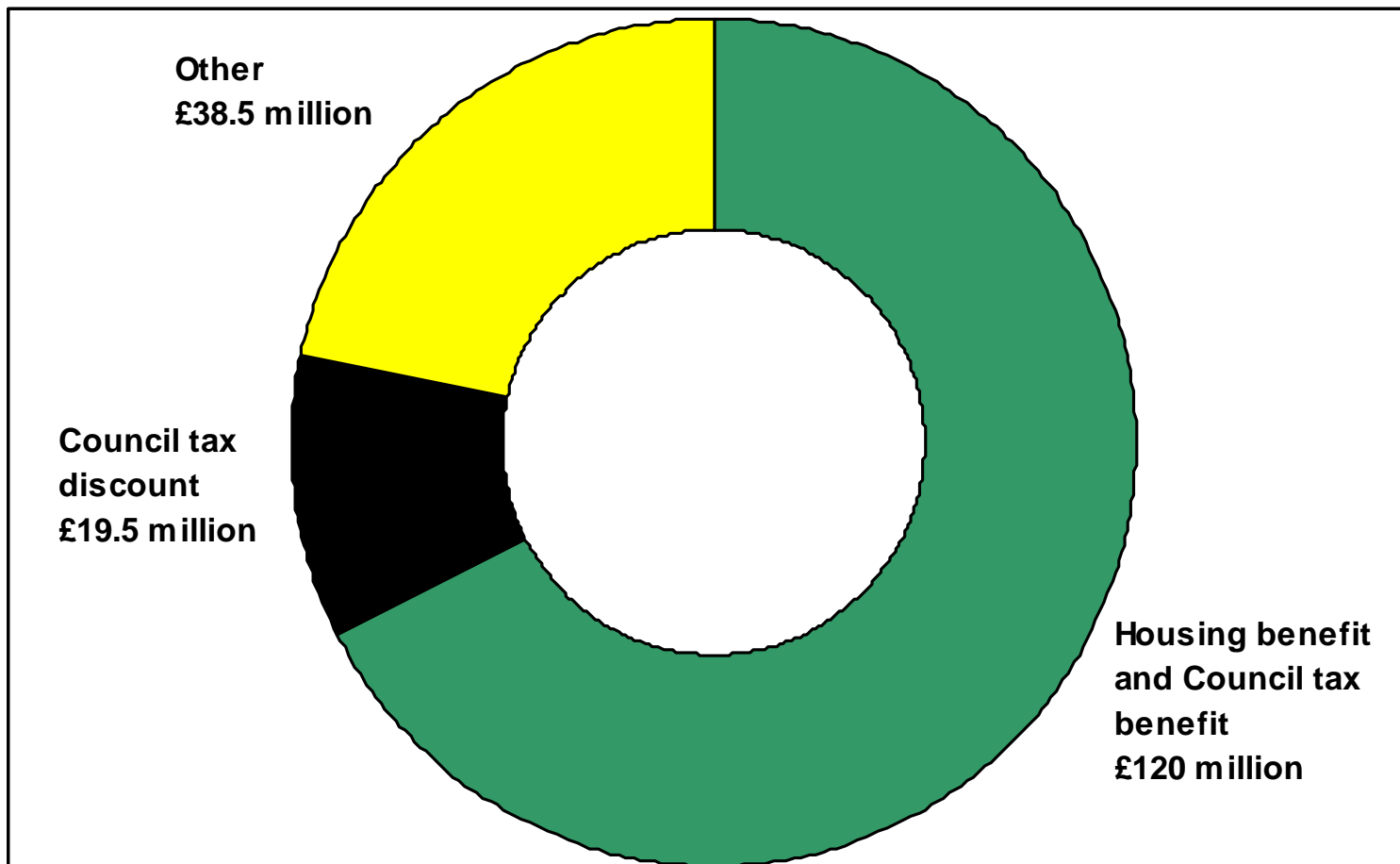
# Purpose of Fraud Briefing at your council

- Opportunity for councillors to consider fraud detection performance, compared to similar local authorities
- Reviews current counter fraud strategy and priorities
- Discuss local and national fraud risks
- Reflect local priorities in a proportionate response to those risks

*Your council is compared with the unitary authorities of the south west and south east regions*

# National Picture 2012/13

Total cases detected 107,000, with a value of £178 million (excluding social housing fraud)



*Nationally, the number of detected frauds has fallen by 14% since 2011/12 and the value by less than 1%*

# Interpreting fraud detection results

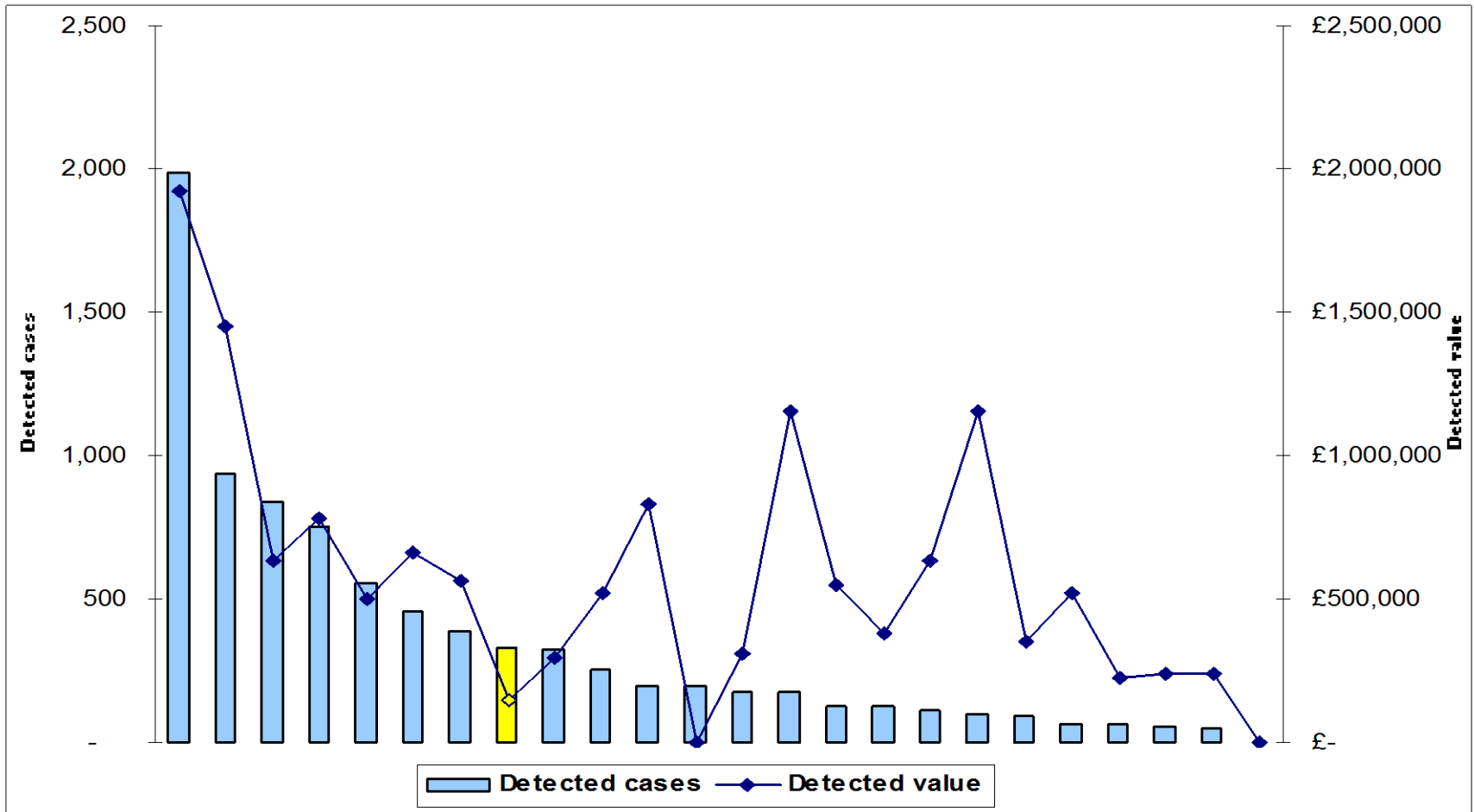
- Contextual and comparative information needed to interpret results
- Detected fraud is indicative, not definitive, of counter fraud performance (Prevention and deterrence should not be overlooked)
- No fraud detected does not mean no fraud committed (Fraud will always be attempted and even with the best prevention measures some will succeed)
- Councils who look for fraud, and look in the right way, will find fraud (There is no such thing as a small fraud, just a fraud that has been detected early)

*Your council is highlighted in yellow in the graphs that follow*

# The local picture

## How your council compares to other Southern unitary authorities

### Total detected cases and value 2012/13 (excluding social housing fraud)

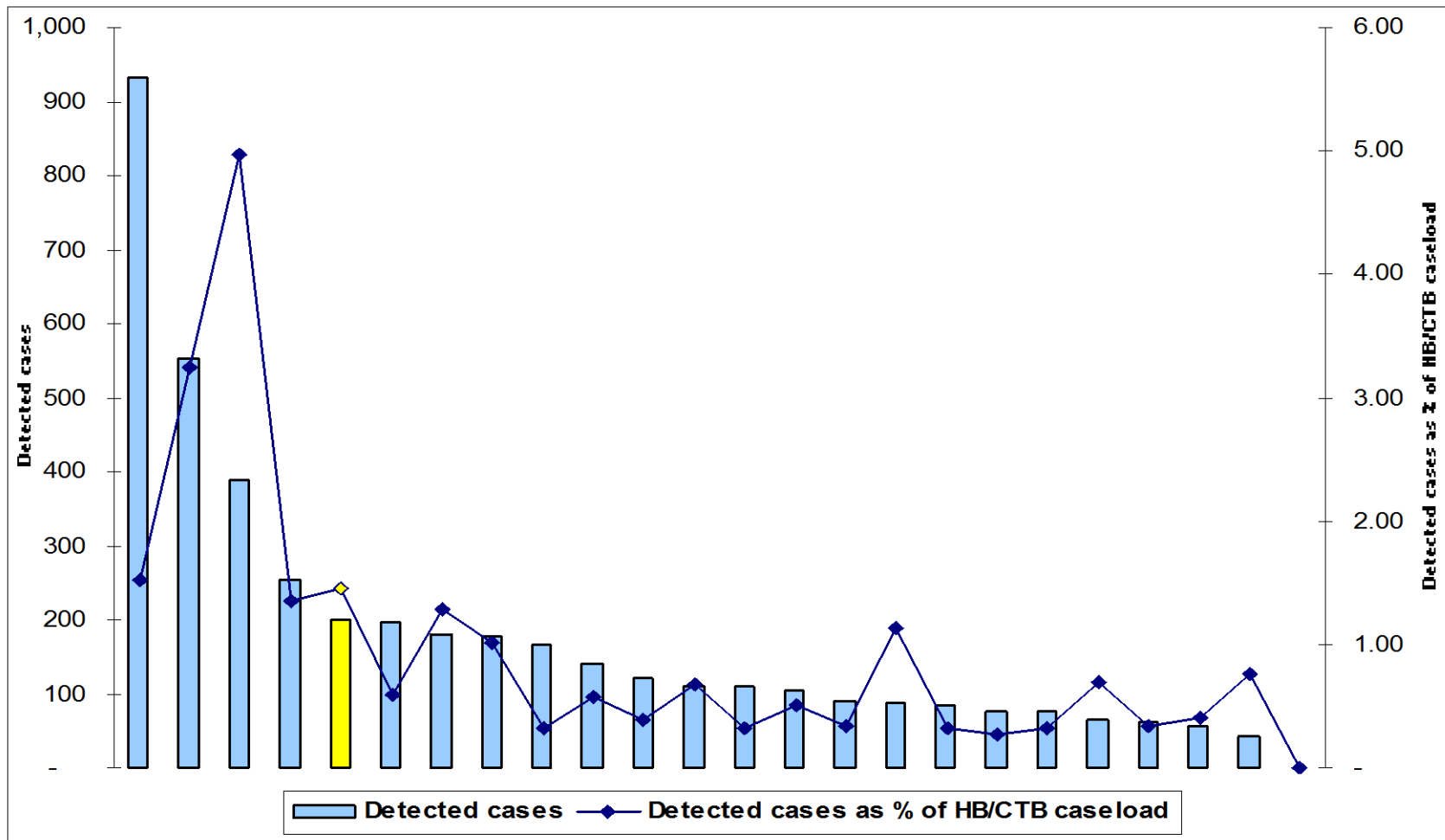


Bath detected: 329 cases, valued at £147,346

# Southern unitary authorities 2012/13

## Housing benefit (HB) and Council tax benefit (CTB) fraud

### Detected cases and detected cases as a percentage of HB/CTB caseload



Bath detected: 201 cases, valued at £97,686

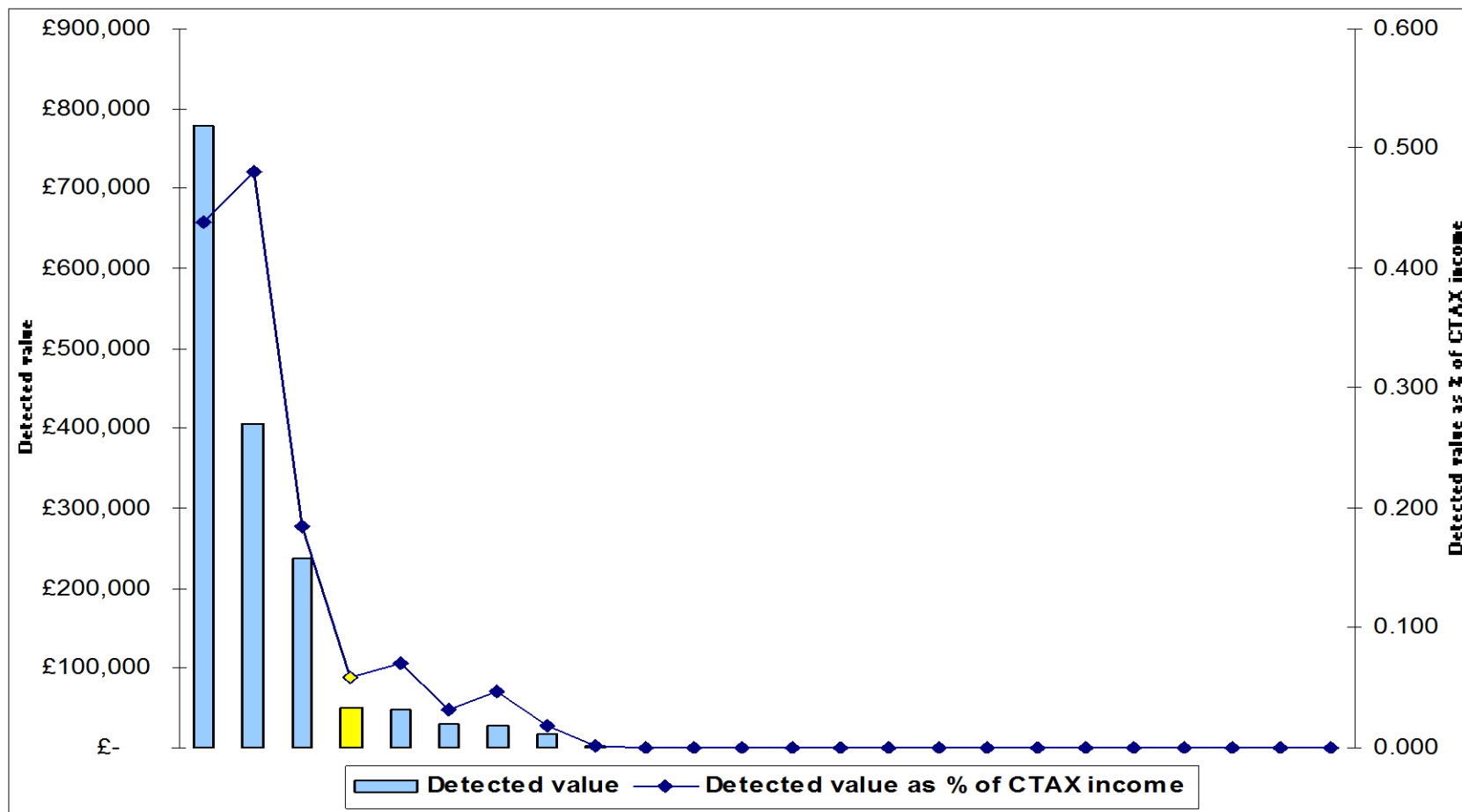
Southern average: 178 cases, valued at £470,661



# Southern unitary authorities 2012/13

## Council tax (CTAX) discount fraud

### Detected value and detected value as a percentage of council tax income



Bath detected: 128 cases, valued at £49,660

Southern average: 147 cases, valued at £66,679



# Southern councils without housing stock 2012/13

## Social housing fraud

It is estimated that:

- 2 per cent of social housing stock outside London is subject to tenancy fraud;
- tenancy fraud represents the second largest financial loss to fraud in local government, costing £845 million in 2013; and
- when combined with the loss to tenancy fraud suffered by housing associations, the total value in England is £1.8 billion – making tenancy fraud five times greater than the annual loss due to housing benefit fraud.

The Prevention of Social Housing Fraud Act 2013 criminalises tenancy fraud

The legislation gives councils investigation powers and the ability to prosecute tenancy fraudsters on behalf of housing associations

Should you be using this legislation to work in partnership with local housing associations?

# Southern unitary authorities 2012/13

## Disabled parking (Blue Badge) fraud

### Detected cases



Bath detected: no cases

Southern average: 18 cases

# Bath and North East Somerset Council

## Other frauds

- Procurement: no cases  
*(Ave per Southern UAs: 1 case, valued at £12,882)*
- Insurance: no cases  
*(Total Southern UAs: 4 cases reported, valued at £73,500)*
- Social care: no cases  
*(Ave per Southern UAs: 1 case, valued at £10,933)*
- Economic & Third sector: no cases  
*(Total Southern UAs: no cases reported)*
- Internal fraud: 1 case, valued at £1,393  
*(Ave per Southern UA: 4 cases valued at £28,045)*

*Correctly recording fraud levels is a central element in assessing fraud risk  
It is best practice to record the financial value of each detected case*

# Any questions?

