

INFORMATION NOTE

Corporate Fraud Team National Fraud Initiative Update



REPORT

1. Introduction

This report is intended to provide Members with information on the National Fraud Initiative (NFI) work done by the Corporate Fraud Team on these data matches and Fylde's participation in a NFI pilot scheme relating to business rates. Information has also been included about other pro-active business rates related projects carried out by the Corporate Fraud Team during the previous year. The report introduces a report on the NFI, published by the Cabinet Office, relating to the 1st April 2016 to 31st March 2018.

2. The Corporate Fraud Team

The Corporate Fraud Team is hosted by Preston City Council, which operates a counter fraud shared service between Preston, Lancaster and Fylde Councils and began on 1st June 2015. The team consists of a manager, two investigators and two administrative staff. The team is responsible for counter fraud work across the three authorities, with the exception of housing benefit fraud, which is the responsibility of the Department for Work and Pensions (DWP).

3. The National Fraud Initiative

The National Fraud Initiative (NFI) is a biennial (every two years) event run by the Cabinet Office which matches a number of Council datasets with each other and also with datasets from other public bodies. Additionally the Cabinet Office issue an annual data match to identify council tax single person discount fraud and error. Access to the matches is made via a secure website. Participation is mandatory for Local Authorities in England.

3.1 Biennial Matches

The last full NFI exercise was conducted in 2016/17, with data regarding matches being received on 26th January 2017. Datasets matched include council tax, pensions, housing benefits, council tax reduction scheme, trade creditors, payroll, housing waiting lists and council house right to buy data. The Corporate Fraud Team undertook a sift of all recommended matches. Fylde received 28 non housing benefit recommended matches and of these found only one case with an issue, producing an overpayment of £125.17. There were a further 39 recommended housing benefit matches. As the Council no longer has powers to prosecute housing benefit fraud, any cases where fraud was suspected were referred to the Department for Work and Pensions to investigate further. Data has now been uploaded for the 2018/19 exercise with Fylde Council's matches due to be released on 31st January 2019.

3.2 Annual Matches

Annually the Cabinet Office matches Council electoral roll data against council tax single person discount (SPD) records. The Council receives a match when council tax SPD is in payment, but there are two or more adults registered to vote at an address. As a result of this exercise, so far this year the Council has removed 33 council tax discount awards, with a total value of £27,370.65.

3.3 Pilot Scheme Matches

Fylde recently volunteered to participate in a NFI pilot exercise to identify business rates fraud. We have formed a local data matching hub with Preston City Council, Lancaster City Council, South Ribble Borough Council, Chorley Borough Council and South Lakeland District Council. Councils submitted datasets for business rates, trade creditor and licencing information. The information submitted only relates to limited companies and as such does not contain any personal data. This data has also been matched against other datasets obtained by the Cabinet Office. Sources include Ordnance Survey records, Food Standards Agency, the Charities Commission and Companies House. The objective is to identify false claims for small business rates relief (SBRR), discretionary and mandatory charitable relief and also business premises that do not appear on the local rating list, where they should have a liability for business rates. The Corporate Fraud team is currently in the process of sifting these matches to identify which cases warrant further investigation.

4. Pro-Active Business Rates Work 2017/18 and 2018/19

From 1st January 2018 the Corporate Fraud team has identified incorrect SBRR and additional business rates liabilities in Fylde, totalling £73,317.98. There are also additional projected future savings of £42,807.44. This has been achieved by undertaking pro-active work to check SBRR claims and a series of visits to check that business premises attracting SBRR awards are actually occupied, which is a requirement of the scheme. This is a new area of work for Local Authority counter fraud teams and Fylde, Preston and Lancaster Councils are gathering a reputation as being at the cutting edge of business rates counter fraud work. The team recently undertook only the second prosecution nationally for SBRR, relating to a case in the Lancaster City Council area.

5. National Fraud Initiative Report

On 5th September 2018 the Cabinet Office published a NFI report for the period 1st April 2016 to 31st March 2018, this is attached as Appendix A, for information.

FURTHER INFORMATION AVAILABLE FROM

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