

REPORT TO: SCRUTINY COMMITTEE - 28 SEPTEMBER 2022

REPORT ON: NATIONAL FRAUD INITIATIVE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 231-2022

1.0 PURPOSE OF REPORT

This report is to inform Elected Members on the continued work of the 2020/21 National Fraud Initiative (NFI) mandatory exercise, the supplementary 2021/22 Electoral Roll / Council Tax Single Person Discounts data matching exercise and preparations for the 2022/23 NFI mandatory exercise.

2.0 RECOMMENDATIONS

It is recommended that Members of the Committee:

- i. note the progress made to date on investigating the data matches received from the Cabinet Office as part of the 2020/21 NFI exercise and the supplementary 2021/2022 Electoral Roll / Council Tax Single Person Discounts data matching exercise at Appendix 1.

3.0 FINANCIAL IMPLICATIONS

The 2020/21 NFI exercise has identified £92,642.12 of overpayments, which have either been recovered or a formal recovery arrangement is in place. As a result of stopping these errors now, the NFI has estimated that the Council has also saved an additional notional amount of £806,222.64, bringing the overall total to £898,864.76.

The supplementary 2021/22 Electoral Roll / Council Tax Single Person Discounts data matching exercise has also identified, to date, overpayments of £47,019.02 which have been, or are in the process of being recovered through the Council's normal Council Tax billing and recovery processes.

4.0 BACKGROUND

The NFI is a biennial data matching exercise, co-ordinated at a national level by the Cabinet Office, designed to help participating bodies detect fraud and error. Computerised techniques are utilised to compare electronic data held by different public and private sector bodies in Scotland, England and Wales and identify data matches, which may, following further examination, uncover the existence of fraud or error. The NFI exercise in Scotland is led by Audit Scotland and participation is mandatory for the Council. Participation also assists the Council with its Deter agenda.

The Senior Responsible Officer for the NFI exercise in the Council is the Executive Director of Corporate Services and the Key Contact is the Corporate Fraud Supervisor, who reports operationally to the Acting Senior Manager – Internal Audit. Key Contact responsibilities include:

- co-ordinating and monitoring the overall exercise
- ensuring that the specifications for data sets are adhered to
- ensuring data sets are uploaded accurately and timeously
- ensuring that key individuals required to assist with the investigation of matches are identified and adequately trained

- ensuring outcomes from the investigation of matches are recorded on the NFI Website promptly and accurately

The mandatory data sets submitted by the Council for the 2020/21 NFI exercises were:

- Payroll – Dundee City Council, Leisure & Culture Dundee, Tay Road Bridge Joint Board and Tayside Valuation Joint Board
- Pensions – Tayside Pension Fund (Current & Deferred)
- Creditors – Current and historic from 1 October 2017
- Licences – Taxis
- Resident Parking Permits - Current
- Housing Tenants - Current
- Housing Waiting List
- Housing Right to Buy – Former tenants
- Blue Badge
- Council Tax
- Electoral Roll
- Business Rates

4.1 NFI 2020/21 UPDATE

The 2020/21 NFI biennial exercise commenced in August 2020 with the Council uploading its data to the NFI Website in October 2020. In January 2021, the Council received its data matches in the form of 98 reports, containing a total of 17,363 matches. The Corporate Fraud Team (CFT) Supervisor held training sessions with all participating staff to ensure that they were fully aware of their responsibilities, the investigation procedures and how to record outcomes on the NFI Website.

Work surrounding the data matches has now concluded with 9309 matches having been investigated with errors identified in 90 of them. These errors have resulted in overpayments of £92,642.12, which have either been recovered or a formal recovery arrangement is in place.

The NFI also records estimated savings figures (notional amounts) where it is reasonable to assume that incidents of fraud, overpayments and errors would have continued undetected without NFI data matching. For the 2020/21 NFI exercise, a total estimated savings figure of £806,222.64, has been calculated. This estimated figure combined with actual overpayments gives a total value of £898,864.76. See Appendix 1 – Table 1.

A supplementary mandatory data matching exercise was also undertaken in December 2021 to match the Electoral Roll against those households where Council Tax Single Person Discounts was being claimed. 104 matches had been investigated with overpayments of £47,019.02 identified. These overpayments have been recovered or are in the process of being recovered through the Council's normal Council Tax billing and recovery processes. See Appendix 1 – Table 2.

4.2 NFI 2022/23 UPDATE

The next National Fraud Exercise will take place this year. The Council will shortly receive instructions from the Cabinet Office, via the NFI Team, on how it should prepare for the 2022/23 NFI Exercise and steps have already been taken to plan for the extraction of required data sets.

Following an internal quality control process, the data sets will be uploaded to the NFI Website in line with the Instructions for Participants and the Cabinet Office timetable.

The matches will be made available to the Council for investigation from approximately January 2023.

Training on how to deal with the data matches along with responsibilities, investigation procedures and how to record outcomes on the NFI Website will be delivered in December 2022, by the Corporate Fraud Team Supervisor, to all participating staff from the services detailed in Table 1 below.

Table 1 – Services where Participating Staff will be trained

Strategic Service / Client	Service Area
Corporate Services	<ul style="list-style-type: none">• Corporate Fraud• Corporate Procurement• Pensions• HR and Business Support• Payroll• Welfare Rights• Non-Domestic Rates
Neighbourhood Services	<ul style="list-style-type: none">• Housing & Communities
Dundee Health and Social Care Partnership	<ul style="list-style-type: none">• Finance• Blue Badge Admin

5.0 POLICY IMPLICATIONS

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

6.0 CONSULTATIONS

The Council Leadership Team was consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

15 September 2022

TABLE 1 – 2020/21 NFI DATA MATCH – FINAL OUTCOMES

REPORT CONTENT	NO. OF ERRORS	ACTUAL £	NOTIONAL £	TOTAL VALUE £
Council Tax Reduction	14	10,185.73	7,117.95	17,303.68
Deceased Pension Investigations	31	42,941.85	740,412.91	783,354.76
Business Rates	5	34,598.77	40,866.78	75,465.55
Blue Badges	31		17,825.00	17,825.00
Creditors	6	4,915.77	-	4,915.77
National Insurance Numbers Corrected	3	-	-	-
TOTAL	90	92,642.12	806,222.64	898,864.76

TABLE 2 – 2021/22 ELECTORAL ROLL AND COUNCIL TAX SINGLE PERSON DISCOUNT DATA MATCH – FINAL OUTCOMES

REPORT CONTENT	NO. OF ERRORS	TOTAL VALUE £
Council Tax to Electoral Roll	62	46,022.38
Council Tax Rising 18's	42	996.64
TOTAL	104	47,019.02