

Pensions: £144.8 million

Individuals obtaining the pension payments of a dead person

Pensions has seen a significant increase in outcomes to £144.8 million, an increase from £85.1 million in 2014-16. This can be attributed to an increase in the numbers of deceased person cases identified as well as work with large public sector pension schemes to improve the frequency and quality of outcomes reporting. Some bodies have also opted to undertake more regular matching through the NFI mortality screening service.

The ratio of actual overpayments to estimated savings from preventing overpayments has changed since 2014-16, with actual overpayments £4 million lower than the previous exercise and future losses prevented up by £89 million.

The increase in bodies undertaking more regular matching is a key factor in this, although improvements to deceased matching have also contributed, including:

- reducing the time between data submission and match release, enabling incorrect pension payments to be identified and stopped more quickly
- enhancing match reports to enable users to action the best quality matches more easily

NCC has opted to undertake more routine matching through the NFI mortality screening service in addition to actions such as Tell us Once, life certificates and Department of Works and Pensions tracing services.

Blue badges: £18 million

Potential misuse of blue badge parking passes belonging to someone who had died

As at 31 March 2017 there were 2.38 million Blue Badges in England, 887,000 of these were issued between 1 April 2016 and 31 March 2017. Fraudsters exploit the Blue Badge scheme by forging badges and stealing badges from cars. Abuse also occurs when badges remain in use, or are renewed by someone after a badge holder has died. In England, there was a total of 1,131 individuals prosecuted in 2016/17. The majority of prosecutions (98%) in England were targeted at a non-badge holder using another person's badge.

During this reporting period, the number of blue badges cancelled significantly increased to 31,223 from 23,063 in 2014-16. The estimated value of blue badges cancelled between reporting periods has also increased, from £13.2m to £18m - an increase of 36%.

NCC reported no outcomes through NFI which appears inconsistent with national results and will be reviewed as part of the Fraud Response Plan's Action Plan.

Concessionary travel: £5.6 million

National Fraud Initiative 2016-18 – National Outcomes Report Appendix A

Potential misuse of concessionary travel passes belonging to someone who has died

The number of concessionary passes updated, cancelled or hot-listed (stopping/deactivating the deceased matched cards) in 2016/17 as a result of an NFI match was 234,154, an increase from 97,064 in 2014/15. As a result, the estimated value of fraud losses prevented in the same reporting period more than doubled from £2.2 million in 2014/15 to £5.6 million in 2016/17.

The Department for Transport reported that in 2016/17 there were 9.8 million older and disabled concessionary travel passes in circulation, a decrease of 1.1% from 2015/16, the first decrease in three years. Whilst we cannot directly link the higher number of passes cancelled, updated or hot listed to the first decrease in the total number of concessionary travel passes in circulation seen over the last three years, it is worth noting.

NCC reported outcomes valued at £20 which appears inconsistent with national results and will be reviewed as part of the 2018/20 NFI exercise.

Residential care homes: £4.4 million

Payments to private care homes by the councils for the care of a resident where the resident had died

The number of cases resulting in outcomes is similar to that recorded in the previous exercise. There were 275 cases in 2016/17 compared to 263 in 2014/15. However, the resulting outcomes have increased by 26% from £3.5 million to £4.4 million.

Over a quarter of the financial outcomes recorded came from councils using the NFI Recheck product to undertake more regular matching to target residential care home fraud and error.

NCC identified no outcomes through NFI and has opted to undertake more routine matching of mortality data. How this can be applied to residential care is currently being explored.

Trade creditor payments: £4.3 million

Traders who intentionally or unintentionally submitted duplicate invoices for payment

Creditor payment matches continue to produce significant outcomes with over £4.3 million of wrongly paid duplicate invoices identified. Although this is a slight reduction from the previous exercise the data matching exercise remains a valuable tool.

NCC reported one outcome valued at £1,498.20 as a result of a duplicate payment. The Business Support Centre currently uses duplicate payment checking software to identify potential duplicate payments prior to processing. In 2017/18 this process identified £34,080 of duplicates and these were stopped prior to payment.

Personal budgets

Individuals claiming a personal budget who failed to declare an income or change of circumstances.

National Fraud Initiative 2016-18 – National Outcomes Report **Appendix A**

NCC reported two outcomes valued at £5,849.42 where the payments continued to be made after the death of the claimant.

Useful developments for NCC from the national report

One of the key areas that causes a degree of confusion is the way that projected outcomes are established, calculated and reported. The NFI report provides clarity on the interpretation of results that can be used by NCC to determine projected outcomes.

Basis of calculating estimated savings

- Pensions – Annual pension multiplied by the number of years until the pensioners would have reached the age of 85 (*projected saving for Nottinghamshire LGPS Pension Fund*)
- Blue Badge - £575 per blue badge cancelled to reflect lost parking and congestion charge revenue (*projected saving for the public purse*)
- Trade Creditors – this only records Actual Fraud detected (*actual saving for NCC*)
- Private residential care homes - £7,000 per case based on average weekly cost of residential care multiplied by 13 weeks (*projected saving for NCC*)
- Concessionary Travel – Number of passes cancelled multiplied by £24, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme. (*projected saving for NCC*)
- Personal budgets – monthly reduction in personal budget payment multiplied by 3 months. (*projected saving for NCC*)

Future Strategy

The Council has already embarked on the next NFI exercise and in this report we have identified how NCC can develop its own approach to support the national NFI vision.

The National Fraud Initiative vision is:

‘To provide the best deal for the taxpayer by helping tackle fraud and error, through improved access to data and analytics techniques via sophisticated fraud prevention and detection solutions that achieve results quickly and efficiently.’

‘Operating in a fast paced, dynamic environment, we will work with customers and stakeholders across the public and private sector to provide capability to best allow them to prevent, disrupt, deter, discover and punish fraud and error.’

To support this the Council is committed to working with the NFI team to provide accurate datasets in order to obtain the most beneficial matches from the exercise. In turn NCC staff will be engaged in reviewing matches and identifying savings as a result.

Internal Audit will continue to oversee the review exercise and monitor delivery of achievements. In line with findings from the 2018 National Fraud Initiative Report Internal Audit will work with primary contacts to ensure that matches are reviewed in line with the NFI guidance and that actual and potential savings are captured and recorded in line with the national methodology.