

Agenda Item No: 4
Report To: Audit Committee
Date: 6 December 2011
Report Title: Protecting the Public Purse
Report Author: Brian Parsons, Head of Audit Partnership



Summary: The Committee is asked to note the recently published report from the Audit Commission, 'Protecting the Public Purse'; and that a future report will be provided to the Committee setting out the Council's arrangements for fighting fraud.

Key Decision: NO

Affected Wards: All Wards

Recommendations: **The Audit Committee is asked to:-**

Note the publication by the Audit Commission, 'Protecting the Public Purse' and that a report will be provided to a future meeting of the Committee setting out the Council's arrangements for fighting fraud.

Policy Overview: The Council needs to ensure that it has adequate arrangements in place to prevent, detect and investigate fraud in order to protect the public funds that it is responsible for.

Financial Implications: If the risk of fraud is not properly addressed, the financial implications can be substantial.

Risk Assessment YES

Equalities Impact Assessment NO

Background Papers: Audit Commission: Protecting the Public Purse –fighting fraud against local government.

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Report Title: Protecting the Public Purse

Purpose of the Report

1. To allow the Audit Committee to consider the recently published report from the Audit Commission 'Protecting the Public Purse' and to note that a future report will be provided to the Committee setting out the Council's arrangements for fighting fraud.

Issue to be Decided

2. Members are asked to note the Audit Commission publication and that a report will be provided to a future meeting setting out the Council's anti-fraud arrangements.

Background

3. The Audit Commission publishes an annual report on 'Protecting the Public Purse'. The report brings together information compiled by the Commission nationally, relating to fraud against local government. One of the key sources of information is the National Fraud Initiative.
4. The most recent report was published on 11 November 2011 and shows some worrying trends in terms of fraud, not least the significant increase in staff fraud and the increased value of procurement fraud.
5. Member's attention is drawn to paragraph 29 of the publication which refers to Ashford as an example of good practice in terms of tackling housing tenancy fraud. This reflects very positively on the work of the Investigation and Visiting team.
6. The Audit Commission report is provided to enable the Committee to be aware of some of the key fraud areas that are of concern nationally to local government at the present time. The report is shown at Appendix A.
7. A report will be provided to a future meeting of the Committee setting out the Council's arrangements for managing the risk of fraud and tackling fraud where it exists.

Risk Assessment

8. Some of the risks to financial administration are set out in the Protecting the Public Purse publication. A future report to the Committee will set out how those risks are managed at Ashford.
9. Where fraud against a local authority occurs, it can have a damaging effect on the credibility of the authority's financial management reputation

Equalities Impact Assessment

10. Not applicable.

Other Options Considered

11. It is appropriate that the Audit Committee, as the Committee charged with governance, has an appreciation of the issues facing local government in terms of the fight against fraud. No other action could be recommended.

Implications Assessment

12. Fraud needs to be addressed in order to protect the Council's financial position.
13. Staff are a key element in the fight against fraud.
14. Fraud and theft are criminal offences and the Council must be geared up to deal with these issues.

Conclusion

15. The Audit Commission's report highlights the relatively high level of fraud and theft against local government at a national level.
16. The Council must ensure that it has effective anti-fraud arrangements in place. A report will be provided to a future meeting of the Audit Committee setting out the Council's arrangements for fighting fraud.

Portfolio Holder's Views

17.

18.

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Protecting the public purse 2011

Fighting fraud against local government

November 2011



The Audit Commission is a public corporation set up in 1983 to protect the public purse.

The Commission appoints auditors to councils, NHS bodies (excluding NHS Foundation trusts), police authorities and other local public services in England, and oversees their work. The auditors we appoint are either Audit Commission employees (our in-house Audit Practice) or one of the private audit firms. Our Audit Practice also audits NHS foundation trusts under separate arrangements.

We also help public bodies manage the financial challenges they face by providing authoritative, unbiased, evidence-based analysis and advice.

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Summary and recommendations

Summary

***Protecting the Public Purse 2011 (PPP 2011)* focuses on fighting fraud against local government. We have written it for councillors and senior officers responsible for governance. In addition, government departments, other national organisations and counter-fraud specialists will find this report is relevant to them.**

Fraud is a significant problem. It affects everyone in the UK. In 2011, the National Fraud Authority (NFA) estimated that:

- each year public, private and third sector organisations, as well as individuals, lose over £38 billion to fraud;
- fraud costs every adult in the country £765 a year; and
- fraud against public sector organisations costs £21.2 billion, with fraud against councils costing more than £2 billion a year.

The Audit Commission's 2010/11 survey of fraud against councils and related bodies shows that:

- councils detected more than £185 million worth of fraud, involving 121,000 cases;
- the total value of detected fraud losses for 2010/11 increased by 37 per cent compared with 2009/10, with the number of fraud cases also increasing; and
- councils recovered nearly 1,800 homes from tenancy fraudsters. These homes had a total replacement value of over £266 million.

In *PPP 2011*, we highlight some emerging fraud issues and review councils' progress in tackling the significant risks described in our 2009 and 2010 *PPP* reports. We show that:

- housing tenancy fraud could cost the public purse £900 million each year (NFA estimate);
- councils detected more than £22 million of false claims for student and single person council tax discounts;
- housing and council tax benefits fraud losses accounted for more than half of the total fraud losses detected by councils;

- counter-fraud professionals increasingly recognise abuse of personal budgets in adult social care as a fraud risk for councils; and
- councils detected 145 cases of procurement fraud amounting to £14.6 million.

Councils are having to make reductions in spending. They can make significant savings by reducing fraud. This can help protect frontline jobs and services.

Recommendations

Councils should:

- ensure they keep the capability to investigate fraud that is not related to housing benefit;
- improve their use of data, information and intelligence to focus their counter-fraud work;
- review their counter-fraud arrangements in the context of the NFA's strategy for local government, *Fighting Fraud Locally*, to be published shortly;
- work with other registered social housing providers to improve the use of civil and criminal action to deter tenancy fraudsters;
- use the Audit Commission's council tax single person discount (SPD) fraud predictor toolkit to assess the potential level of such fraud locally;
- review their performance against the NFA's good practice on tackling housing tenancy fraud and council tax fraud;
- ensure the National Fraud Initiative (NFI) data matches are followed up effectively, including those targeting council tax discount abuse (next data release due in February 2012);
- review personal budgets arrangements to ensure safeguarding and whistleblowing arrangements are proportionate to the fraud risk;
- follow good practice and match the successes of others; and
- use our checklist for those charged with governance (Appendix 1) to review their counter-fraud arrangements.

The Department for Communities and Local Government (DCLG) should consider:

- what arrangements will be required to collect and publish data on detected fraud against local public bodies, after the Audit Commission's abolition;
- collecting and publishing information on properties recovered from tenancy fraudsters by housing associations;
- how best to encourage housing associations to tackle tenancy fraud; and
- with registered social housing providers, how best to use the knowledge and skills of the Chartered Institute of Housing Making Best Use of Stock (MBUS) team (see Paragraph 70).

Background

This chapter provides an overview of the purpose and focus of *PPP 2011*.

1 Councils need a culture that supports action against fraud and their counter-fraud specialists need accurate information about levels and types of fraud. They need to know the size and frequency of the fraud risks they face. Good data and information means councils can:

- develop focused plans and strategies for tackling fraud; and
- target resources on areas where prevention and detection can have the most impact.

2 The Audit Commission's annual fraud survey is still the sole source of evidence about the levels of detected fraud in local government and related bodies. The survey results and our *PPP* publications focus on local government and can help councils and other local public bodies by providing the data and information they need to tackle fraud effectively.

3 Our reports are designed to help councillors and senior officers responsible for governance in councils and local public bodies, and particularly members of audit committees. The reports are also relevant to the work of government departments, other national organisations and counter-fraud specialists.

4 *PPP 2011* concentrates on the results of our 2010/11 survey and councils' progress in tackling significant fraud risks highlighted in *PPP 2009* and *PPP 2010*.

5 Alongside the annual fraud survey, the Audit Commission has run the NFI data-matching exercise every two years since 1996. NFI compares data sets and identifies inconsistencies or circumstances that might suggest fraud or error. Organisations taking part follow up the data matches they receive from NFI. The Audit Commission will publish the results of the NFI 2010/11 exercise in Spring 2012.

Detected fraud against councils and related bodies

In this chapter we report our survey results of detected fraud committed against councils and other local public bodies.

6 In January 2011, the NFA reported that fraud costs the UK more than £38 billion each year. It estimates that fraud against councils cost more than £2 billion a year (Ref. 1).

7 *PPP 2010* included details of fraud detected by councils and other local public bodies, including police and fire authorities and probation trusts, drawn from our 2009/10 fraud survey.ⁱ In *PPP 2011* we review changes in the survey results between 2009/10 and 2010/11.

8 More than 480 public sector organisations responded to our 2010/11 survey (a 99 per cent response rate). The survey results, therefore, provide a comprehensive picture of detected fraud across local government over the last year. These results:

- enable us to report the amount of different types of detected frauds in local government;
- provide information about emerging and changing fraud risks; and
- help identify good practice.

9 Our 2010/11 fraud survey found the following.

- Local public bodies detected about 121,000 frauds, valued at £185 million (Figure 1). This compares with 119,000 detected frauds valued at £135 million in 2009/10.
- There were about 59,000 housing benefit and council tax benefit fraud cases, resulting in losses of £110 million to the public purse. These fraud cases represent more than half the total value of frauds detected by local public bodies in 2010/11. In 2009/10, there were 63,000 cases with losses of £99 million.
- There were about 56,000 detected council tax discount frauds costing more than £22 million, compared with 48,000 frauds costing £15 million in 2009/10.

ⁱ In this report, we define fraud as any intentional false representation, including failure to declare information or abuse of position which is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where civil, criminal or management action such as disciplinary action has been taken.

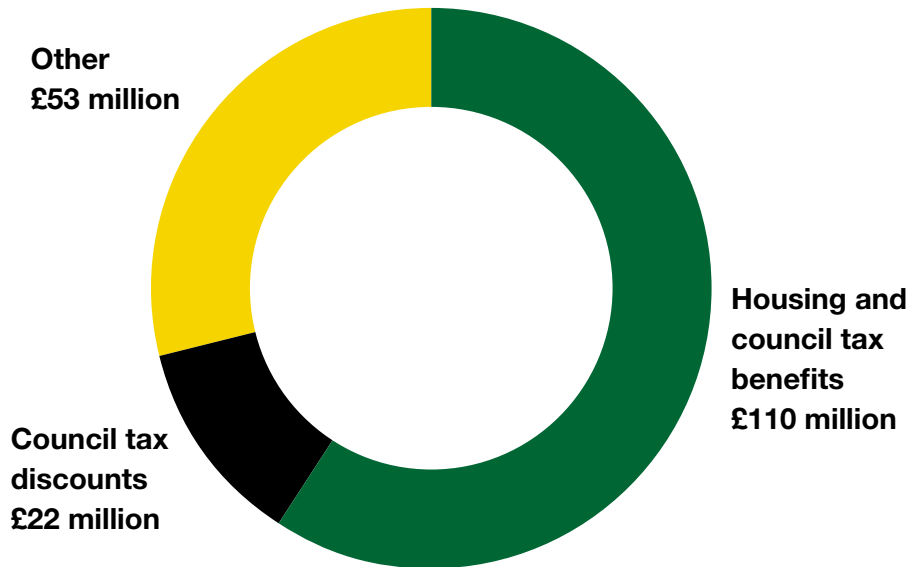
99%
of public sector
organisations
responded to
our 2010/11
fraud survey

£185m
of fraud was
detected by
local public
bodies,
according to
our 2010/11
survey

- Other frauds totalled around 5,600 and were worth £53 million. This compares with 7,000 other frauds worth £21 million in 2009/10 (See Table 1 for a breakdown and comparison of the six largest fraud types in this category).

Figure 1: **£185 million of detected fraud 2010/11**

More than half of detected fraud losses relate to housing and council tax benefits.



Source: Audit Commission

10 Councils also recovered nearly 1,800 homes, with a total replacement value of over £266 million, from tenancy fraud. This compares with some 1,600 homes recovered in 2009/10, with a replacement value of around £240 million.

11 In all organisations there is always a risk of fraud by staff. Our surveys show the number of frauds perpetrated by councils' own staff is low. In 2010/11, there were 1,581 cases (1.3 per cent of total cases). But they involved £19.5 million, which represents 10.5 per cent of the total value of detected frauds.

Table 1: **Other frauds against councils (excluding council tax and benefits fraud)**

The six largest fraud types within the other frauds category by value for 2010/11 compared with 2009/10.

Fraud type	Cases 2010/11	Value 2010/11 (£m)	Cases 2009/10	Value 2009/10 (£m)	% change in value
Procurement	145	14.6	165	2.7	+441
Payroll, pensions, expenses	556	5.6	873	3.3	+70
Abuse of position	395	4.3	252	2.0	+115
False insurance claims	149	3.7	72	2.8	+32
Social care	102	2.2	131	1.4	+57
Disabled parking concessions (blue badges)	3,007	1.5	4,097	2.0	-25
TOTAL	4,354	31.9	5,590	14.2	+125

Source: Audit Commission

12 Detected procurement fraud showed the largest increase in 2010/11, and totalled £14.6million. The number of detected false insurance claims has more than doubled. Values of payroll, pensions, expenses and abuse of position frauds have also increased significantly. This information can help councils to use their counter-fraud resources more effectively.

13 Table 2 shows the regional breakdown of detected frauds for 2010/11, compared with local government spending in those regions. Table 3 compares the numbers and values of frauds in 2009/10 and 2010/11 by region.

14 The increase in detected fraud over the past few years does not necessarily mean that fraud locally is getting worse. The figures reflect a combination of factors. These include:

- the level of fraud locally;
- the resources applied to identify and investigate such fraud;
- the successful detection by councils within a region; and
- improved methods of recording fraud.

15 Most local public bodies have improved fraud detection since the first PPP in 2009. They are also classifying more incidents correctly as fraud rather than error. Our surveys show that councils continue to take tackling fraud seriously and are playing their part in protecting the public purse despite financial pressures.

Table 2: **Detected frauds and losses by region compared with regional spend by councils**

Region	Council spending by region 2010/11 (% of total)	Detected frauds value (% of total)	Detected frauds number of cases (% of total)
East Midlands	7.5	8.4	10.5
East of England	9.7	11.6	13.1
London	21.8	29.3	19.5
North East	5.2	4.7	7.3
North West	13.8	11.5	13.1
South East	13.8	12.1	11.6
South West	8.7	8.2	9.2
West Midlands	10.1	8.1	7.2
Yorkshire and Humber	9.4	6.1	8.5
TOTAL	100	100	100

Source: Audit Commission

Table 3: **Comparison of detected frauds and losses by region in 2010/11 compared with 2009/10**

Region	2010/11 reported losses (£m)	2009/10 reported losses (£m)	Change (%)	2010/11 reported cases (000)	2009/10 reported cases (000)	Change (%)
East Midlands	15.6	10.1	+ 54	12.6	9.0	+ 40
East of England	21.5	8.8	+ 144	15.9	9.5	+ 67
London	54.2	34.6	+ 57	23.6	22.3	+ 6
North East	8.7	5.0	+ 74	8.9	7.7	+ 16
North West	21.2	17.6	+ 20	15.8	23.3	- 32
South East	22.3	24.0	- 7	13.9	15.0	- 7
South West	15.2	8.2	+ 85	11.1	7.7	+ 44
West Midlands	15.1	12.9	+ 17	8.7	8.3	+ 5
Yorkshire and Humber	11.2	13.4	- 16	10.3	15.9	- 35
TOTAL	185	134.6	+ 37	120.8	118.7	+ 2

Source: Audit Commission

Key fraud risks

This chapter sets out the progress made in tackling significant fraud risks highlighted in our 2009 and 2010 reports. We also describe emerging fraud risks identified by our 2011 survey.

16 In *PPP 2009* and *PPP 2010* we highlighted the growing risks associated with unauthorised housing tenancies; false claims for council tax discounts; abuse of personal budgets; procurement fraud; and housing benefits fraud. We drew attention to the innovative work that some councils were doing to tackle these frauds (Ref. 2). This section reviews councils' progress since *PPP 2010*.

Housing tenancy fraud

17 Housing tenancy fraud is the use of social housing by someone not entitled to occupy that home. It includes:

- the unauthorised subletting of a property for profit to people not allowed to live there under the conditions of the tenancy;
- using false information in a housing application to gain a tenancy; and
- wrongful tenancy assignment and succession where the property is no longer occupied by the original tenant.

18 There are nearly four million social housing properties in England, with an estimated asset value of more than £180 billion. Over half of all social housing in England is managed by housing associations. In 2010, nearly two million families were waiting for a council house (Ref. 3).

19 Where councils do not have enough social housing, they place homeless families in temporary accommodation. Nationally, it costs councils on average £18,000 a year for each of the families they place in temporary accommodation (Ref. 4). The total cost to the public purse of housing these families is nearly £1 billion each year. The NFA estimates that social housing fraud costs the public purse at least £900 million each year. This is the single largest category of fraud loss across local government.

20 In *PPP 2010*, we estimated that it costs around £150,000 to build just one new unit of social housing.

Social housing fraud is the largest category of fraud loss across local government

21 Tackling housing tenancy fraud is one of the most cost-effective means of making social housing properties available to match the demand from those in genuine need. It also reduces the significant financial loss to the public purse caused by this fraud.



Recovering wrongfully occupied properties frees up homes for those in genuine need.

22 In our previous *PPP* publications, we estimated that registered social housing providers may have lost control of the allocation of at least 50,000 social housing properties in England because of housing tenancy fraud. We assumed a 2.5 per cent level of tenancy fraud in London (where the difference between social and private rents is greatest) and 1 per cent in all other parts of the country.ⁱ

23 Our *PPP* reports have previously suggested there are moral reasons but few, if any, financial incentives for housing associations to tackle tenancy fraud. Although some housing associations are working successfully with councils to tackle tenancy fraud, this is not yet widespread.

24 The recent successful application of both civil and criminal legal action to tackle tenancy fraud has the potential to create an important deterrent to this type of fraud. All registered social housing providers should consider, on a case-by-case basis, whether to apply civil and criminal legal action against tenancy fraudsters. Case studies 1 and 2 highlight successful recent actions.

ⁱ In *PPP 2009*, we noted that no accurate measure of the extent of housing fraud in different parts of the country existed. Housing professionals had told us they thought unlawful subletting could be as high as 5 per cent of the social housing stock in London and other metropolitan areas. The Commission's estimate of housing tenancy fraud is based on a prudent assessment of those views, informed by the data we have collected on proven tenancy frauds.

Case study 1

Housing tenancy fraud

Use of civil action to recover unlawful profit

Housing officers discovered that a tenant was offering one of the council's homes for rent through a local letting agency. The council was charging about £50 a week rent for the property. The officers visited the address and found the tenant was unlawfully subletting the property to a subtenant. He was charging the subtenant £300 a week rent. The council took civil action against the tenant. The court ordered him to pay £7,000 to the council. This included around £3,000 for unjust enrichment from the unlawful profit made by subletting the property.

Source: Audit Commission

Case study 2

Housing tenancy fraud

Use of the Fraud Act to prosecute tenancy fraud

Acting on information received about a suspected housing benefit fraud, one London council also uncovered a case of housing tenancy fraud. The tenant claimed to be unemployed and living alone in a housing association property. She was actually employed at a school and lived in, and jointly owned, a separate property elsewhere. Interviewed under caution, the tenant admitted unlawfully subletting the housing association property for profit and committing several benefit-related frauds. The tenant pleaded guilty in court to several benefit offences totalling £25,000. The tenant also pleaded guilty to the offence (under Section 3 Fraud Act) of failing to disclose information and subletting the housing association property. The court sentenced the tenant to three months imprisonment, suspended for two years, with a requirement to undertake 150 hours of work in the community. The court also placed a restraining order on the property jointly owned by the tenant. The council and police are pursuing confiscation proceedings.

Source: Audit Commission

25 In 2008/09, we reported that councils recovered nearly 1,000 properties from fraudsters. In 2009/10, almost 1,600 properties were recovered and in 2010/11, councils recovered about 1,800 properties. The vast majority of these properties were recovered by London councils.

75%
more properties
were recovered
in 2010/11 than
in 2008/09

26 However, the problem of tenancy fraud is not restricted to London. Although the number of properties that councils outside London have recovered has increased in recent years, recovery by councils outside London is still significantly less than half of that achieved in London. More than half the councils outside London with housing stock did not recover any properties from tenancy fraudsters in 2010/11 (see Table 4).

Table 4: **Homes recovered by region**
Numbers of social homes recovered by councils.

Region	2010/11 No. of properties recovered	2009/10 No. of properties recovered	Councils with housing stock recovering at least one property in 2010/11 (%)	Total housing stock 2010/11	Recovered properties as a proportion of total council housing stock (%)
East Midlands	54	10	64	202,973	0.027
East of England	82	12	32	182,007	0.046
London	1,337	1,349	93	437,431	0.306
North East	3	53	29	121,112	0.002
North West	57	86	27	131,588	0.043
South East	56	30	40	166,278	0.034
South West	35	5	46	90,153	0.039
West Midlands	101	6	54	188,251	0.054
Yorkshire and Humber	53	26	43	242,800	0.022
TOTAL	1,778	1,577	51	1,762,593	0.1

Source: Audit Commission

27 PPP 2009 raised awareness of the problem of housing tenancy fraud. Since then, good practice guidance (Ref. 5) and DCLG funding for councils have helped councils tackle these frauds. The number of properties recovered has increased by more than 75 per cent between

2008/09 and 2010/11. Registered social housing providers, however, still have more opportunities to recover homes from fraudsters, especially outside London where about 75 per cent of all council properties are situated (Ref. 6).

28 Some councils outside London have shown what specialist fraud investigators can achieve by tackling tenancy fraud:

- Hull City Council recovered 21 properties in 2010/11 (none reported in 2009/10);
- Bristol City Council recovered 22 properties in 2010/11 (none reported in 2009/10);
- Wolverhampton City Council recovered 57 properties in 2010/11 (four reported in 2009/10);
- Basildon Borough Council recovered 12 properties in 2010/11 (none reported in 2009/10);
- City of York Council recovered six properties in 2010/11 (one reported in 2009/10); and
- Bolton Council recovered 19 properties in 2010/11 (three reported in 2009/10).

29 Some district councils show what they can achieve even with modest resources. In 2010/11, Ashford Borough Council spent £10,000 on an initiative to tackle housing tenancy fraud. This included a whistleblowing campaign and investigation time. In the first six months of this initiative, residents referred 15 suspected cases of tenancy fraud to the Council. The Council recovered eight homes from tenancy fraud, uncovered two housing benefit frauds, one SPD fraud and one housing application fraud.

30 Some housing associations have also taken action. Gallions Housing Association provides homes for rent and shared ownership in London and the South East. In 2010, it recovered 51 homes from fraudsters after employing a dedicated housing investigator. Before that, it typically recovered about four properties each year.

31 These organisations have shown a clear commitment to tackling tenancy fraud, making more properties available for those in genuine need. Other registered providers of social housing, especially those outside London, should follow their example.

32 We believe that publishing information on the number of council properties recovered from tenancy fraudsters has had an impact, when combined with recent government initiatives, in the fight against tenancy fraud. Information on the number of homes recovered by housing associations from tenancy fraudsters is not available at all. The government should consider how it will address this information gap. It also needs to consider how best to encourage housing associations to tackle tenancy fraud.

Providers of social housing outside of London need to show a clearer commitment to tackling tenancy fraud

33 In May 2011, the government set up a team of specialists – the MBUS team – to offer free advice to help registered providers of social housing tackle tenancy fraud. Our survey results show that councils have made significant progress in recent years by working with others to tackle tenancy fraud. However, the scale of loss is such that the government and housing providers should consider what more they could do to quicken the pace of improvement, increase the number of properties recovered and make best use of the knowledge and skills of the MBUS team.

34 All social housing providers should recognise the problem of tenancy fraud and commit resources to tackling it, using the research on good practice published in 2011 by the NFA. A link to this can be found at the end of this report.

Council tax fraud

35 In 2011/12, councils in England will raise about £26 billion from council tax (Ref. 7). Council tax payers can claim various discounts. For example, council tax payers are eligible for an SPD of 25 per cent where they are aged 18 or over and are the only occupier of a household. However, they can also apply for this discount if anyone else living at that address falls into certain categories that allow them not to be counted as ‘other occupiers’. Other discounts include a student discount where a student who is the sole occupier of a property may claim 100 per cent exemption from council tax.

36 In *PPP 2010*, we drew attention, for the first time, to the potentially significant risk of fraudulent claims for student discount. Council tax student discount fraud could represent a financial loss similar in scale to SPD fraud. Bristol City Council undertook exercises to detect both student and SPD frauds. The Council reviewed a sample of student exemptions. Of the 4,500 cases examined, 1,500 (34 per cent) were fraudulent claims worth £1.9 million. Data matching by the Council, including NFI matches, also identified an extra £1.9 million of SPD fraud.

37 Other councils have taken action to address council tax fraud, sometimes with unexpected results. In 2010/11, the London Borough of Havering spent £40,000 to target high-risk SPD claimants. Credit reference data helped them save £300,000 and highlighted potential tenancy frauds, leading to the recovery of five properties from unlawful subletters.

38 Councils have noted a sharp increase in the number of people claiming council tax discounts in recent years and an increasing number of fraudulent applications. In *PPP 2010* we showed that

between 4 and 6 per cent of SPD claims are fraudulent costing taxpayers at least £90 million each year.



Council tax student discount fraud could represent a financial loss similar in scale to SPD fraud.

39 *PPP 2010* provided councils with an online tool to compare recorded levels of SPD with the predicted levels for their area. Councils have used this tool extensively to identify fraud risks. At the request of many councils and professional bodies, we have updated the toolkit this year. A link to this toolkit can be found at the end of this report.

40 Councils should review their performance against the NFA's good practice guidelines on tackling council tax fraud. The NFA aims to publish the guidelines in December 2011.

Personal budgets (direct payments) fraud

41 Adult social care currently costs around £16 billion a year in England (Ref. 8). Councils increasingly use personal budgets to manage and deliver adult social care. Personal budgets can help personalise adult social care services – users can decide how to spend the funds available for their care. This increases users' choice and control.

42 Councils can assign personal budgets to adults in need of social care in various ways, including by direct payments. After a council has assessed a person as needing this care, the council may make a direct payment of funds, usually in advance, to those managing the budget. The council may manage the budget, as can the person receiving the care, independent care providers, a family member, a friend, or a mixture of these.

43 The number of personal budgets has increased by 55 per cent in the last year alone (Ref. 9). The Department of Health is urging councils to provide personal budgets for everyone eligible for continuing social care, preferably as a direct payment, by April 2013 (Ref. 10). Such a significant change in the way adult social care is delivered, though clearly providing improved choice and control for users, also increases the risk of fraud. It is important that councils adopt a proportionate response, balancing the risk of fraud against the benefits for users that personal budgets provide.



Social care fraud can hurt the most vulnerable in society.

44 Fraud risks include:

- a person falsely claiming that they need care – the risk of this type of fraud is not new, but the access to funds through direct payments is likely to be more attractive to potential fraudsters than traditional care packages;
- fraud by someone managing the personal budget of the person in need; and
- fraud by an organisation or someone providing care to the person in need.

45 In *PPP 2010*, we recognised that financial abuse of personal budgets is difficult to detect and prove. Our 2010/11 survey shows that counter-fraud professionals consider the fraud risks associated with personal budgets as significant. Councils have reported 102 cases of proven social care fraud to us this year. They involved over £2.2 million of loss to the public purse – an average of over £21,000 for each case.

46 Public Concern at Work, the whistleblowing charity, reports that, historically, the single largest proportion of referrals received by their hotline is from the care sector. They account for 15 per cent

of all concerns raised (Ref. 11). Concerns about financial abuse in all its forms account for six in every 100 calls from the care sector. Information on whistleblowing good practice can be found by following the link at the end of this report.

47 Enfield Council has reduced the risk of personal budget fraud. In 2010, it created a team whose remit includes safeguarding the finances of those with some form of personal budget. The Council states that financial abuse is now the most common abuse reported to them. It has put in place processes to detect and respond to concerns raised.

48 Other councils have also taken action to raise staff and public awareness about the potential impact of financial abuse, resulting in some significant early successes. As part of the response to an initial public referral of a concern about personal budget fraud, Croydon Council undertook fraud awareness training for social services staff. As a result, care workers referred ten more cases with a value of nearly £300,000. Case study 3 highlights one case where the Council took legal action. Of the remainder of cases, half are subject to court proceedings or further investigation for fraud. These cases show why early intervention is important and how heightened fraud risk awareness can identify savings to the public purse.

Case study 3

Direct payments fraud

Son diverted direct payments intended to pay for care of elderly mother

In March 2011, the court found a man guilty of two counts of fraud and sentenced him to 20 weeks imprisonment for defrauding the public purse of over £12,000. In what the judge described as a 'very serious matter', the man had fraudulently diverted the money received from the council by direct payments. The payments were to provide a carer for the fraudster's elderly mother. Council investigators proved the fraudster had diverted the money instead for his own purposes.

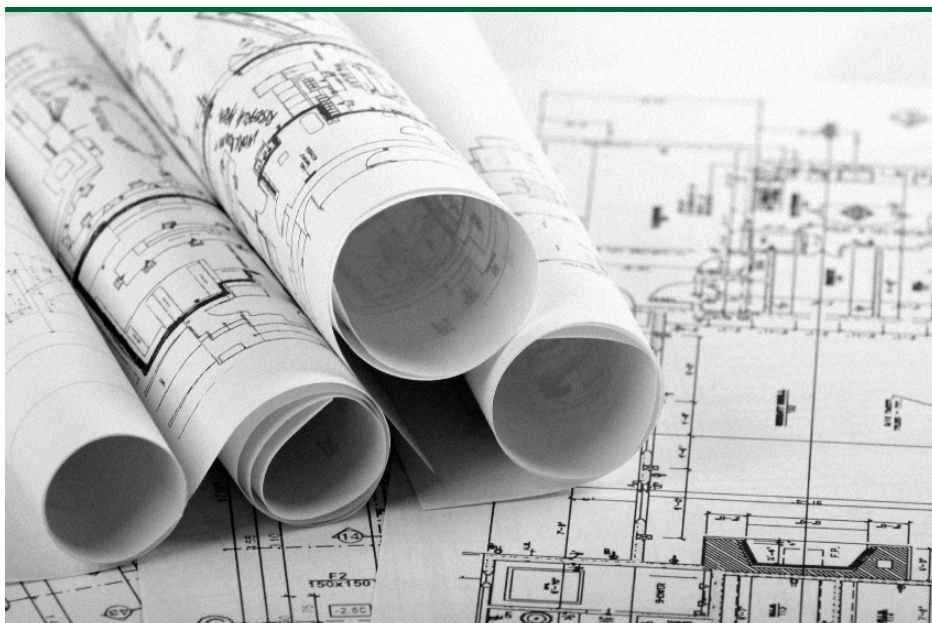
Source: Audit Commission

49 Personal budget fraud can have a potentially damaging impact on the health, safety and wellbeing of those receiving care, as well as representing a financial loss to the public purse. When internal audit, finance and care staff work together, supported by effective whistleblowing arrangements, it can help to reduce this risk of fraud.

50 Councils should consider reviewing the fraud risks associated with personal budgets to ensure safeguarding and whistleblowing arrangements are proportionate to the fraud risk.

Procurement fraud

51 Councils spend over £50 billion each year, buying goods and services from suppliers and funding major construction projects (Ref. 12). Fraud may occur at any stage in the procurement cycle, from the first business case to the award and management of the contract. External providers or internal parties can carry out procurement fraud which may take various forms.



Procurement fraud can result in huge one-off losses.

52 The key areas of external fraudulent activity include:

- cartels involving collusion among some bidders to agree that they will not bid competitively for a particular contract;
- applicants tendering, but not in accordance with contract specifications, and then submitting false claims for extra costs under the contract;
- contractors providing inferior goods or services;
- contractors intentionally overriding minimum statutory pay and health and safety regulations for financial gain;
- contractors presenting false invoices; and
- contractors providing inflated performance information to attract greater payments than are due.

53 The NFA estimates that procurement fraud costs councils about £855 million a year (Ref. 13). It believes that councils need to do more to obtain accurate figures on this fraud. The NFA is working on a new way of quantifying these losses.

54 Our 2010/11 survey found that councils had detected 145 cases of procurement fraud involving losses of £14.6 million, an increase of over 400 per cent in value compared with 2009/10. Losses in individual cases can be large. The total value of just two cases in 2010/11 amounted to £6 million. Councils should continue to treat procurement fraud as high risk, with significant potential financial impact.

Housing and council tax benefit (HB/CTB) fraud

55 In 2010, councils in England paid out over £21.5 billion of HB/CTB (Ref. 14). The NFA reports that housing benefit fraud losses (excluding council tax benefit) in the UK are about £260 million each year (Ref. 15).

56 The Audit Commission's fraud surveys show there are more detected HB/CTB fraud cases than any other type of fraud against councils. For the three years covered by our surveys (2008/09, 2009/10 and 2010/11), councils have detected almost 210,000 cases of HB/CTB fraud worth more than £310 million.

57 In 2010/11, there were 59,000 cases of HB/CTB fraud, which represents almost half the total number of frauds detected by councils. The total value of HB/CTB frauds detected was £110 million – an average of nearly £1,900 for each case. There has been a 6 per cent drop in the number of detected cases since 2009/10, but an 11 per cent increase in the value of detected losses.

58 The government is proposing major welfare reforms which include localising council tax support and the transition to Universal Credit – due to start in 2013. The changes will have a significant impact on councils' benefit services. The government also proposes to set up a single fraud investigation service (SFIS). At this stage, the government has not decided on the organisational design or geographical structure of the service. However, the government intends that councils' housing benefit fraud investigators become part of the SFIS when it is formed in 2013.

59 Many district and smaller unitary councils have a benefit fraud investigative capability that they also use to combat other frauds. When the switch to the SFIS is made, it will be important for these councils to ensure they retain the capability to investigate fraud unrelated to housing benefit.

60 DCLG's ten-point plan for countering fraud (see Paragraph 69), published in 2011, advises councils to keep their fraud investigation teams. Councils' performance in detecting HB/CTB fraud over the last three years shows the significant contribution that counter-fraud specialists make in the fight against such fraud. Councils will need

£310m
of housing and
council tax
benefit fraud
was detected in
the last three
years by
councils

to review their counter-fraud capability in the light of the proposed changes and published good practice.

61 The Audit Commission has collected information on detected fraud in local government for over 20 years. We have, therefore, been able to track the positive impact that increased council investigative capability has had on the amount of detected fraud. The mid-1990s saw increasing professionalisation and training of council benefit fraud investigation teams, combined with financial incentives to detect such fraud. One of the added benefits of this approach has been an increased capability to investigate non-benefit-related frauds. In 1994/95, these accounted for about 13 per cent of all fraud detected by councils. By 2010/11, this had risen to more than 40 per cent. This highlights why councils must keep an effective professional counter-fraud capability.



Counter-fraud capabilities are key to detecting fraud in local government.

Emerging fraud risks

62 Our surveys collect the opinions of counter-fraud and senior finance officers on emerging fraud risks. Councils reported the following significant risks in 2010/11:

- the expansion of personal budgets in social services;
- the impact of the current economic climate putting more pressure on individuals' finances and tempting people to commit fraud;
- reduced staff numbers, which may weaken councils' internal controls; and
- fraudsters abusing the expenditure information that councils are now asked to publish, in order to defraud local public bodies

63 Criminals, including some based outside the UK, have targeted councils and other public organisations in an attempt to redirect

payments intended for legitimate creditors such as large construction companies. The fraudsters have sent letters to council finance teams that appear legitimate and often follow them up with phone calls to chase payments. The fraudsters gather the details about key creditors from the information that councils now publish on their websites. In our 2010/11 survey, councils reported several detected frauds of this type amounting to some £7 million.

64 Local public bodies have become increasingly successful at preventing these frauds by applying sound internal controls (see Case study 4). They have prevented about £20 million of such attempted fraud. Fraud warnings, such as those issued by the National Anti-Fraud Network, have helped raise awareness of the risks. However, fraudsters continue to target local public bodies.

Case study 4

Change of bank details fraud

Checks prevented money being paid into a false bank account

A fraudster tried to get a public sector organisation to change the details it held for a supplier. The fraudster, claiming to be an employee of the supplier, asked for the supplier's bank account details to be changed to a false account set up by the fraudster. The fraudster used published information – namely a supplier invoice – to confirm the authenticity of the request. However, the public body was aware of similar frauds and had put in place suitable checks. As a result, a payment of £5 million to the false bank account was stopped.

Source: Audit Commission

Conclusions and good practice

This chapter provides examples of good practice and advice that local public bodies could follow to preserve an effective counter-fraud response.

65 Local public bodies should remain alive to, and continue to tackle, the threat of fraud to the public purse. Organisations can make large savings as the best councils show. Reducing fraud can make an important difference to local finances.

66 All public organisations need to play their part in the fight against fraud. Telling local public bodies about good practice is an essential prerequisite to ensuring that it is adopted. However, it is for local public bodies to act upon it. In the following paragraphs, therefore, we draw attention to good counter-fraud work that councils may wish to consider in tackling fraud against the public sector.

Support and advice from government

67 The government set up the Taskforce on Fraud, Error and Debt in October 2010 to develop a new approach to tackling public sector fraud. In its first report in June 2011, the taskforce highlighted four priorities for tackling public sector fraud.

- **Collaboration:** public organisations need to remove any barriers to joint working. All parts of the public sector must work together to tackle fraud. They must share information on fraudsters, develop cross-cutting skills, undertake joint projects and use data matching and analytical information more effectively and efficiently.
- **Risk assessment and measuring losses:** public organisations must assess the risk of fraud before they launch projects and programmes. They must record and report fraud losses often.
- **Prevention:** public organisations must invest in and properly resource fraud prevention. For example, the current approach of ‘pay first, check later’ must change. When an organisation finds its systems are vulnerable to fraud they must change them.
- **A zero-tolerance culture towards fraud:** there is no acceptable level of fraud against the public purse.

68 Taken together, these priorities will help to improve fraud prevention, deterrence and detection. The Taskforce has started to encourage public organisations to collaborate in the fight against fraud.

Councils have an important role to play in tackling fraud across the whole public sector.

69 In April 2011 DCLG published a ten-point plan for tackling fraud against local government. The plan draws on our *PPP 2009* and *PPP 2010* reports. Councils should compare their arrangements for tackling fraud with this plan, shown below. Organisations can access the national counter-fraud standards developed by CIPFA and referred to by DCLG in the ten-point plan, through the link at the end of this report.

DCLG's ten actions to tackle fraud against councils

- 1** Measure exposure to fraud risk.
- 2** More aggressively pursue a preventative strategy.
- 3** Make better use of data analytics and credit reference agency checks to prevent fraud.
- 4** Adopt tried and tested methods for tackling fraud in risk areas – such as blue badge scheme misuse.
- 5** Follow best practice to drive down Housing Tenancy and Single Person Discount fraud.
- 6** Pay particular attention to high risk areas such as procurement and grant awards.
- 7** Work in partnership with service providers to tackle organised fraud across local services.
- 8** Maintain specialist fraud investigative teams.
- 9** Vet staff to a high standard to stop organised criminals infiltrating key departments.
- 10** Implement national counter fraud standards developed by CIPFA.

Source: DCLG

70 The MBUS team, which DCLG funds in the Policy and Practice Directorate of the Chartered Institute of Housing, can help housing providers tackle housing tenancy fraud. The team of experts aims to share good practice across the country and help housing organisations develop strategies to meet housing need better (including tackling tenancy fraud) at no cost to organisations. For more details visit the website by following the link at the end of this report.

71 The NFA is coordinating the publication of the first national strategy to tackle fraud against local government (*Fighting Fraud Locally*), due to be published in December 2011. It will provide a

framework for councils and other local public bodies to contribute to a national approach to reduce the harm caused by fraudsters.

Support and advice from professional bodies

72 The Bribery Act came into force in July 2011. There are four key offences under the Act:

- bribery of another person;
- accepting a bribe;
- bribing a foreign official; and
- failing to prevent bribery.

73 The offences carry criminal penalties for individuals and organisations. For individuals, the courts can impose a maximum prison sentence of ten years and/or an unlimited fine. For organisations, courts can impose unlimited fines. Councils should review their anti-bribery policy and procedures and ensure they are robust enough to prevent bribery and to reduce the risk of any staff or councillor committing a bribery offence. CIPFA has produced guidance that can help councils and their audit committees.

Examples of good practice by other public sector bodies

74 Devon and Cornwall Police Authority introduced continuous audit of its payroll about six years ago. Continuous audit is the application of automated checks, designed to verify that the organisation is correctly processing financial and non-financial data and that internal control is working effectively. The potential to confirm information and to check for errors or fraud in real time provides the ‘continuous’ aspect of the audit. This improves the organisation’s ability to provide greater assurance to auditors and members of their Corporate Governance Committee as well as preventing and detecting fraud and error. Organisations that have developed a strong continuous audit culture usually start with key, business-critical systems.

75 Devon and Cornwall Police Authority’s payroll costs typically account for around 80 per cent of the Authority’s budget. When the Authority implemented a new financial system, internal auditors implemented continuous audit. This provides monthly assurance over payroll costs. The total value of transactions – that is, all payroll payments and deductions – checked each month is £25 million.

76 The process is cost-effective (taking, typically, one day each month – sometimes less) enabling auditors to focus their investigations on significant items rather than using random data samples. For example, in one month, auditors noted an unexpected fall of around £100,000 in payments of National Insurance contributions. Although this turned out to be an error in a linked finance system and not an indicator of fraud, the payroll team was able to correct the error before payment was made.

77 Increasingly, councils are working together to share information and good practice. Internal audit professionals in six London councils (Barking and Dagenham, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest) have joined forces in several counter-fraud initiatives, and have pooled resources to achieve greater impact.

78 This has alerted members to emerging trends and helped them set up effective training programmes. The group has also invested in a secure web application that makes sharing counter-fraud intelligence accessible, manageable and safe.

Support and advice from the Audit Commission

79 In *PPP 2009*, we provided a checklist for those responsible for governance. Audit committee members have told us how they have used the checklist to assess the effectiveness of their governance arrangements. We updated the checklist in 2010 and have done so again in this report. You can find it in Appendix 1.

80 The Audit Commission published its first counter-fraud and corruption manual in 1995 (Ref. 16). It aimed to help auditors assess a public sector body's arrangements for tackling financial misconduct, fraud and corruption. The manual provided:

- guidance on the review of counter-fraud and corruption arrangements;
- advice on undertaking reviews of arrangements in specific areas of risk; and
- links to more information, for example from legal advisers.

81 We are working to update the manual, which we will make available for use in 2012.

82 We have also developed a series of short leaflets for schools and parish councils where size, complexity or limited numbers of staff may mean that effective internal control is difficult (see Case study 5). Follow the links at the end of this report to find them. We are working with the Charity Commission on a similar leaflet for charities, to be published in 2012.

Parish council fraud

Clerk abused trust and stole from parish council

A parish clerk pleaded guilty to stealing almost £63,000 from four parish councils and a community project charity that employed her. The clerk forged signatures, altered cheques, and made unauthorised payments to herself and her family. In sentencing the clerk to 18 months in jail the judge said, 'It really was a quite dreadful breach of trust.'

The chair of one of the parish councils said, 'We have had to take out a £30,000 loan as a result of her leaving us practically bankrupt.'

Another said, 'She had a good name and this was not the sort of thing you would expect to happen.'

Source: Audit Commission

83 For more than 15 years, the Audit Commission's NFI has successfully combined data from the public and private sectors across the UK to detect fraud, overpayments and errors totalling £750 million. The matches provided by NFI help councils detect a wide range of frauds. The Commission will publish the results of the NFI 2010/11 exercise in Spring 2012.

84 We are working with the Taskforce on Fraud, Error and Debt to make the most of the benefits NFI can deliver. For example, the NFI launched its first real-time data-matching service in September 2011. This will help improve fraud prevention and renew the increasingly important fight against fraud.

Next steps

85 In August 2010, the government announced its plan to abolish the Audit Commission. Until its abolition, the Commission will continue to promote good governance and financial management in the public sector.

86 The Audit Commission believes publishing detected fraud data helps improve public knowledge and understanding of councils' performance in the fight against fraud. Such information also supports the government's transparency and localism agenda.

87 Our *PPP* reports and publication of our survey results have encouraged councils to focus their counter-fraud activities on the areas of greatest risk. The Audit Commission's annual fraud survey is currently the only national source of information on the performance of local public bodies in the fight against fraud.

88 Given the importance of this data, the Audit Commission remains committed to collect and publish data on detected fraud against local bodies every year until it is abolished. The government needs to consider what arrangements will be required to collect and publish this data thereafter.

89 As well as the annual fraud survey, we gather intelligence on fraud and corruption in several ways. For example, we require external auditors of councils and other local public bodies to report to the Audit Commission all frauds over £10,000 and all incidents of corruption in the bodies they audit. This means we can track, analyse and spread information on emerging areas of fraud risk and alert counter-fraud professionals.

90 The government is planning a similar 'early warning system' for central government departments. DCLG should consider which organisation should take on this important role for local public bodies in future.

Appendix 1: Checklist for those responsible for governance

Checklist

General	Yes	No
1 Do we have a zero-tolerance policy towards fraud?	<input type="radio"/>	<input type="radio"/>
Comments		
2 Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with <i>Fighting Fraud Locally</i> ?	<input type="radio"/>	<input type="radio"/>
Comments		
3 Do we have dedicated counter-fraud staff?	<input type="radio"/>	<input type="radio"/>
Comments		
4 Do counter-fraud staff review all the work of our organisation?	<input type="radio"/>	<input type="radio"/>
Comments		
5 Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input type="radio"/>	<input type="radio"/>
Comments		

General	Yes	No
6 Have we assessed our management of counter-fraud work against good practice?	<input type="radio"/>	<input type="radio"/>
Comments		
7 Do we raise awareness of fraud risks?		
a. With new staff (including agency staff)?	<input type="radio"/>	<input type="radio"/>
b. With existing staff?	<input type="radio"/>	<input type="radio"/>
c. With elected members?	<input type="radio"/>	<input type="radio"/>
d. With our contractors?	<input type="radio"/>	<input type="radio"/>
Comments		
8 Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input type="radio"/>	<input type="radio"/>
Comments		
9 Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	<input type="radio"/>	<input type="radio"/>
Comments		

General	Yes	No
10 Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	<input type="radio"/>	<input type="radio"/>
Comments		
11 Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on the matches investigated?	<input type="radio"/>	<input type="radio"/>
Comments		
12 Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input type="radio"/>	<input type="radio"/>
Comments		
13 Do we have effective whistleblowing arrangements?	<input type="radio"/>	<input type="radio"/>
Comments		
14 Do we have effective fidelity insurance arrangements?	<input type="radio"/>	<input type="radio"/>
Comments		

Fighting fraud with reduced resources		Yes	No
15	Have we reassessed our fraud risks since the change in the financial climate?	<input type="radio"/>	<input type="radio"/>
Comments			
16	Have we amended our counter-fraud action plan as a result?	<input type="radio"/>	<input type="radio"/>
Comments			
17	Have we reallocated staff as a result?	<input type="radio"/>	<input type="radio"/>
Comments			

Current risks and issues		Yes	No
Housing tenancy			
18	Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input type="radio"/>	<input type="radio"/>
Comments			
19	Do we ensure that social housing is occupied by those to whom it is allocated?	<input type="radio"/>	<input type="radio"/>
Comments			

Current risks and issues	Yes	No
Procurement		
20 Are we satisfied our procurement controls are working as intended?	<input type="radio"/>	<input type="radio"/>
Comments		
21 Have we reviewed our contract-letting procedures since the investigations by the Office of Fair Trading into cartels and compared them with best practice?	<input type="radio"/>	<input type="radio"/>
Comments		
Recruitment		
22 Are we satisfied our recruitment procedures achieve the following?		
a. Do they prevent us employing people working under false identities?	<input type="radio"/>	<input type="radio"/>
b. Do they confirm employment references effectively?	<input type="radio"/>	<input type="radio"/>
c. Do they ensure applicants are eligible to work in the UK?	<input type="radio"/>	<input type="radio"/>
d. Do they require agencies supplying us with staff to undertake the checks that we require?	<input type="radio"/>	<input type="radio"/>
Comments		

Current risks and issues	Yes	No
Personal budgets		
<p>23 Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?</p>	<input type="radio"/>	<input type="radio"/>
<p>Comments</p>		
<p>24 Have we updated our whistleblowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?</p>	<input type="radio"/>	<input type="radio"/>
<p>Comments</p>		
Council tax		
<p>25 Are we effectively controlling the discounts and allowances we give to council taxpayers?</p>	<input type="radio"/>	<input type="radio"/>
<p>Comments</p>		

Current risks and issues	Yes	No
Housing and council tax benefits		
26 When we tackle housing and council tax benefit fraud do we make full use of the following?		
a. National Fraud Initiative?	<input type="radio"/>	<input type="radio"/>
b. Department for Work and Pensions Housing Benefit matching service?	<input type="radio"/>	<input type="radio"/>
c. Internal data matching?	<input type="radio"/>	<input type="radio"/>
d. Private sector data matching?	<input type="radio"/>	<input type="radio"/>
Comments		

References

- 1 National Fraud Authority, *Annual Fraud Indicator*, January 2011
- 2 Audit Commission, *Protecting the Public Purse 2010*, October 2010
- 3 Department for Communities and Local Government, *Housing Strategy Statistical Appendix Table 600*, November 2010
- 4 Audit Commission, *Protecting the Public Purse 2010*, October 2010
- 5 Department for Communities and Local Government, *Tackling Unlawful Tenancies and Occupancy: Good Practice Guidance for Social Landlords*, November 2009
- 6 Department for Communities and Local Government, *Housing Statistics Table 100*, November 2010
- 7 Department for Communities and Local Government, *Statistical Release Local Authority Expenditure and Financing England 2010/11 Budget (Revised)*, February 2011
- 8 Health and Social Care Information Centre, *Personal Social Services Expenditure and Unit Costs England, 2008/09*
- 9 Audit Commission, *Improving Value for Money in Adult Social Care*, June 2011
- 10 Department of Health, *A Vision for Adult Social Care*, November 2010
- 11 Public Concern at Work, *Speaking Up for Vulnerable Adults: What the Whistleblowers Say*, April 2011
- 12 Local Government Group, *Procurement, Capital and Shared Assets Productivity Workstream*, October 2010
- 13 National Fraud Authority, *Annual Fraud Indicator*, January 2011
- 14 Department for Work and Pensions, *Housing Benefit and Council Tax Benefit by Local Authority District 1996/97 to 2009/10*, December 2010
- 15 National Fraud Authority, *Annual Fraud Indicator*, January 2011
- 16 Audit Commission, *Counter Fraud and Corruption Manual*, 1995

Additional reading

- 1 CIPFA Counter-Fraud Standards [Managing the risk of fraud – actions to counter fraud and corruption – Red Book](#)

- 2 Public Concern at Work www.pcaw.org.uk

- 3 National Fraud Authority: Good practice publication
www.homeoffice.gov.uk/publications/agencies-public-bodies/nfa/our-work/

- 4 Audit Commission
 - Fraud Risks in Parish and Town Councils - Advice for Councillors
www.audit-commission.gov.uk/PPP2011parishguide
 - Fraud Risks in Schools Advice for School Governors
www.audit-commission.gov.uk/PPP2011schoolsguide
 - Single Person Discount on Council Tax: Predictor Tool
www.audit-commission.gov.uk/PPP2011SPDpredictor

- 5 Chartered Institute of Housing, Making Best Use of Stock team
www.cih.org/bestuseofstock

- 6 Office of Fair Trading guidance on cartels
www.oft.gov.uk/OFTwork/competition-act-and-cartels/ca98/decisions/bid_rigging_construction

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We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email: nationalstudies@audit-commission.gov.uk

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