

Birmingham City Council makes intelligent fraud reductions with Civica



“Civica’s fraud management systems have helped Birmingham to realise several million pounds of savings since their introduction a decade ago, and enabled us to uncover fraud and error we might not ordinarily have been able to prevent or detect.”

John Turner
Acting assistant director, Audit & Risk
Management, Birmingham City Council

The Challenge

Birmingham City Council is the largest local authority in Europe. The diversity of the services provided and the multiplicity of systems used to manage them, generate a huge volume of records and data. Consequently, rates of fraud might match the sector average but proportionally the number of investigations is always higher. This can make the management of fraud and error particularly challenging, as manual intervention is not always a viable option.

The Solution

The council chose to engineer its fraud prevention and detection processes in such a way as to take full advantage of the technology that was available, including Civica’s fraud management system and data warehouse. The volume of investigations has always been high, but Civica’s systems have allowed Birmingham to provide its investigators and managers with a very effective, streamlined and efficient way of managing those investigations.

Birmingham began the re-engineering of its fraud detection processes by concentrating its efforts on extracting data from various systems in operation. The council gave priority to the ones used to manage benefits, council tax and payroll. Over a period of time, more databases have been added, using the results from the National Fraud Initiative (NFI), Housing Benefit Matching Service (HBMS) and the Single Housing Benefit Extract (SHBE) to help determine which should be acquired first.

This strategy allowed Birmingham to build on the success of NFI, SHBE and HBMS, increase the frequency with which matches were carried out and place the emphasis on prevention rather than detection. The data warehouse has played a major part in this as it is used as a rich source of intelligence on any investigation that is undertaken.

The council’s approach has more recently been applied to social housing fraud whereby the stock of property held by the council and its 11 partner housing associations is being processed to identify fraud that’s already in the social housing system. The second and third phases of the social housing fraud work are also being re-designed to be more preventative in nature.

Both Civica Data Warehousing and Civica Case Management are part of the Civica Fraud Detection infrastructure. This allows them to connect and operate seamlessly. The Civica systems allow the council's fraud teams to begin intelligently matching data sets that had previously been inaccessible. These capabilities are quickly enabling Birmingham to uncover a string of previously unidentified cases of possible fraud.

Results

The Civica data warehouse system offered Birmingham the ability to store and analyse 20 data sets initially, of which 17 are currently in use. This additional capacity has allowed Birmingham to begin importing data sets from a number of third parties such as housing associations and neighbouring councils. By doing so, the council can uncover fraud on a much wider scale and prevent cross border fraud that would otherwise go undetected.

Birmingham has also used the data warehouse as a catalyst to detect and prevent fraud and error in many different ways. This has expanded the council's knowledge and expertise on how data is being stored and processed to such a degree that it is now being used to produce efficiency savings. Systems are accessed directly, so that information can be extracted in a very precise way. The data is then used to support the audit process more generally. Consequently, different departments' reliance on third parties to produce data has been very much reduced, increasing the independence of Birmingham's audit teams.

As time has gone on, the results from NFI have diminished as the work carried out by Birmingham itself has prevented fraud and error far sooner. As new matching rules are added to the NFI portfolio, Birmingham is looking to replicate them if the data is available.

John Turner, acting assistant director, Audit & Risk Management, Birmingham City Council, commented;

"NFI data is always an incredible help but in the past it could feel like being hit by a tsunami of data when we received it. With the Civica systems we are able to minimise the impact and process the output far more quickly and efficiently."

In the latest endorsement of its work, Birmingham City Council has been identified as an example of best practice in fraud detection by National Fraud Authority for its use of data matching amongst its own databases.

The Future

Birmingham City Council plans to carry on extending the number of partners and departments it matches data with to increase the range of fraud it can effectively detect and the number of providers covered in the scheme.

"Birmingham City Council is leading the way in fraud detection and we're proud that Civica has been able to provide the tools that enable it to do that and will continue to do so in the future."

Paul Benton, director, Civica Revenue & Benefits

Benefits

- > Data cross-matching from multiple departments
- > Cross-border fraud detection with neighboring councils and partner organisations
- > Millions of pounds saved
- > Reduced administrative burden
- > Easily scalable, both upwards and downwards
- > Automated case management from initial matching to court.



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