



# SAFS

Shared Anti-Fraud Service  
*Fighting Fraud in Partnership*

**The Hertfordshire  
Shared Anti-Fraud Service (SAFS)  
Annual Report  
2017/18**



# SAFS

Shared Anti-Fraud Service  
*Fighting Fraud in Partnership*



**Luton**



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# Introduction and Highlights

**Welcome to the annual report covering the activity of the Shared Anti-Fraud Service in the 2017/18 financial year.**

Established in 2015, SAFS is now recognised as a centre of best practice (CIPFA 2017) and has been nominated on three occasions for the Governments *Counter Fraud Awards*. The commitment and dedication of the team, the support of our partners and the SAFS Board allows the service to develop and adapt to address the growing risk of fraud to local government.

2017/18 brought a number of positive changes with new partners and clients joining the service: however, the service also dealt with a number of challenges associated with resourcing and a restructure. Despite this, the service was still able to ensure that all Key Performance Indicators (KPIs) for 2017/2018 were met, or exceeded, and this was due to the hard work of staff within the service and our partner councils.

With the current financial climate in Local Government forcing SAFS partners to consider their investment in counter-fraud work, there is a need for the service to ensure that it continues to provide its services in the most cost effective way. The service evidenced this 2017/18 implementing a major restructure whilst continuing to deliver high quality services to its clients.

I am very proud of the work of the team and delighted to be able to share some of the highlights of 2017/18 in this report.

**Nick Jennings**

**Head of Counter Fraud for the Shared Anti-Fraud Service**

**June 2018**



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## Levels of Delivery

Despite the service facing some resourcing challenges during the year arising from staff sickness, unplanned absences and vacancies, as well as recruiting to several new posts, it achieved or exceeded all of its KPIs in 2017/2018.

The Anti-Fraud Actions Plans for all SAFS partners were delivered, either having been achieved in full or very close to completion, with a number of important local KPI targets also being exceeded. Reports for individual partner Audit Committees detail the local performance of SAFS in that Council.

**Figure 1: SAFS KPI Performance 2017/18**

KPI	Measure	2017/2018 Target	2017/2018 Performance	Notes
1	Deliver effective counter fraud services to each partner	Deliver each partners Anti-Fraud Action Plan for 2017/2018	All Partner Plans & KPIs met or exceeded	<b>Ongoing effectiveness and resilience of anti-fraud arrangements.</b>
2	Identified value of fraud losses and savings in year.	£1.5m	£4m	<b>Deliver financial benefits in terms of cost savings or increased revenue.</b>
	Added Value	None Financial (reported to Board and Partners)	Recovered 19 Council Properties. Seized 8 Blue Badges and cancelled more than 4,000. Generated fines and awards of costs in excess of £30k.	
3	Allegations of fraud received	800	976	<b>Improve the reach into the areas of corporate fraud across Partners.</b>
4	Success rates on outcomes	50%	58% (141 cases proved/ 101 not proved)	<b>Create a recognised centre of excellence able to disseminate alerts and share best practice nationally.</b>
	Sanction Cases	60	62 (includes 21 prosecutions)	
5	Create Data-Hub and Conduct Data-Matching	'Data Hub' operating and further activity on data-sharing	Data-warehouse operational. NFI for Partners. Partner Specific data-matching	<b>Create a data hub for Hertfordshire.</b>
6	Identify new areas of business	Add one new client/ Partner to SAFS in year	Aldwyck Housing Ltd and Watford Housing Trust joined SAFS in 2017/2018	<b>Develop services which can be marketed to external bodies.</b>

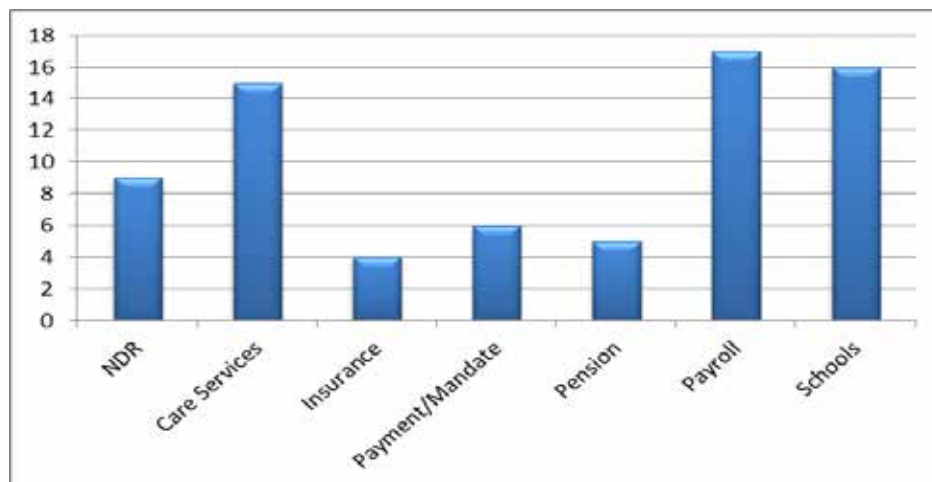
## Performance - Outcomes

Across all SAFS Partners 976 allegations of fraud (Referrals) were received in 2017/18. These varied from numerous low value matters such as blue badge abuse reported by members of the public and housing benefit/council tax fraud identified by revenues teams, to high value or high risk cases involving internal fraud, social care or housing/tenancy fraud. High value cases are mostly reported by staff.

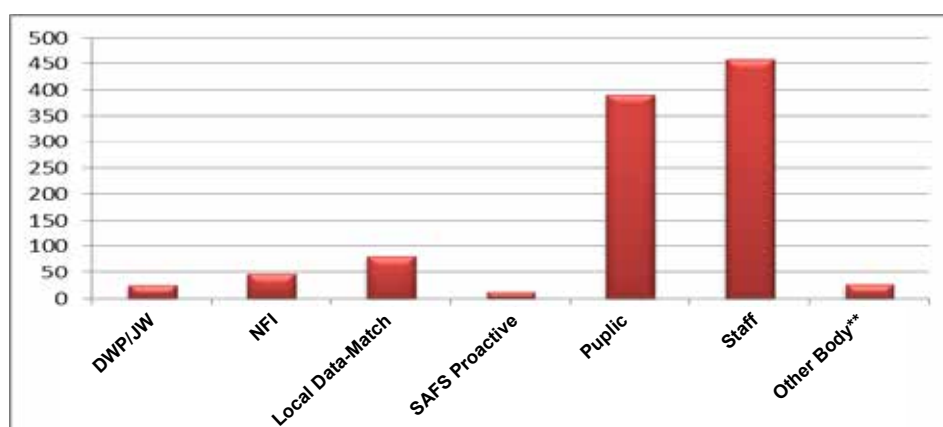
**Figure 2a: Fraud Referrals by type (High Volume)**



**Figure 2b: Fraud Referrals by type (High Value/Risk)**

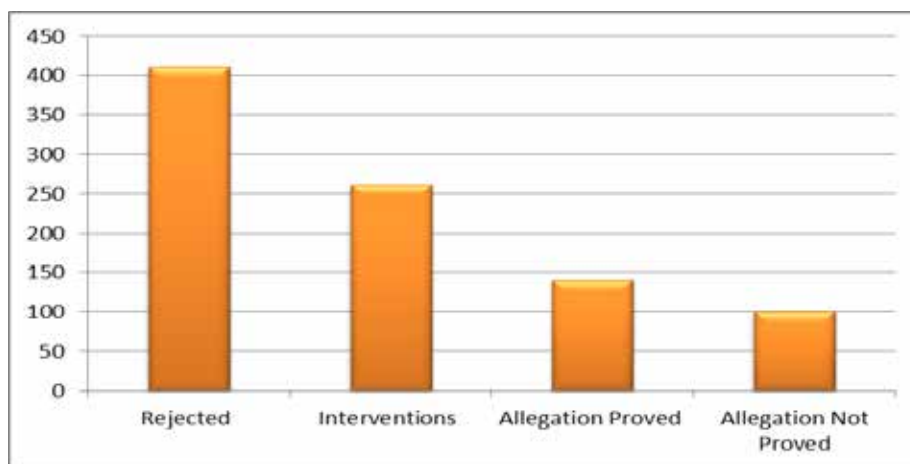


**Figure 2c: Fraud Referrals by source**



\*\* includes police and other councils.

**Figure 2d. Cases Closed in Year**



- **Rejected (411)** – Where no action was taken with the allegation. This may be due to the quality of the report, that it did not fall into SAFS remit or the value of the alleged fraud can be dealt with administratively without need for further investigation.
- **Interventions (262)** – Where the allegation suggests the fraud risk is low. In these cases we may issue: a warning letter to the subject to remind them of their responsibility; or a review form asking the subject to confirm their current circumstances.
- **Allegation Proved (141)** – Where the allegation has been substantially proved and resulted in a fraud being prevented, an ongoing loss stopped or a historic loss identified. It could also include a sanction such as a civil penalty or prosecution being applied.
- **Allegation Not Proved (101)** – Where an investigation has been conducted but the allegation has not been proved to either a civil or criminal standard.

As well as closing **242** investigations in the year (**141** with a positive outcomes, and **101** where fraud could not be proved), SAFS also conducted **119** Council Tax Discount and **45** Right to Buy reviews.

Of the **141** cases where fraud was established, and the case closed in year, SAFS assisted or dealt with the following outcomes:

- **19 social properties recovered**
- **19 successful prosecutions**
- **3 formal cautions issued**
- **3 staff disciplinary outcomes**
- **34 financial penalties applied**

SAFS carried forward into 2018/2019 396 live cases, which include 39 cases pending prosecution, 12 cases where social housing is awaiting recovery, and more than 30 cases pending disposal by way of financial penalty.

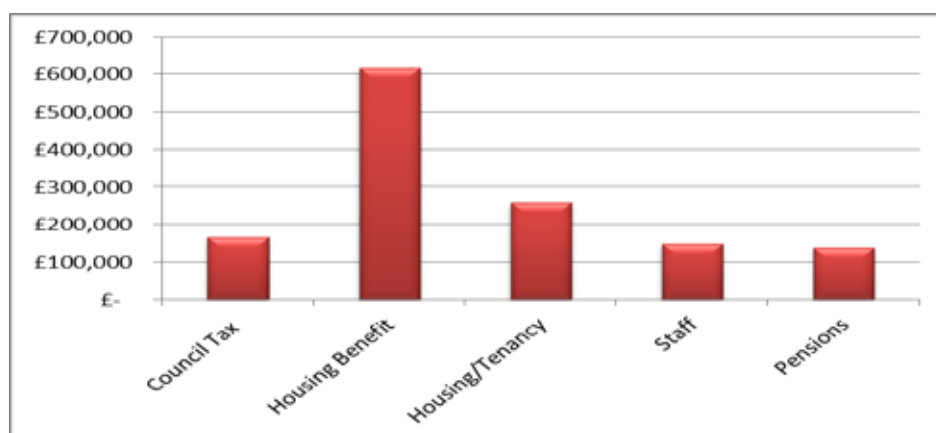
## Performance – Financials

One of the key objectives for SAFS is to be self-funding through the identification of savings and new revenue for its partners through the investigation of alleged fraud and recovery of fraud losses. The SAFS Board received a paper in 2017 defining how the Service would record the value of savings/revenue identified from the work it undertook.

In 2017/18 the Service recorded Fraud Losses of £1.3m and Fraud Savings of £1.1m. Through SAFS work reviewing NFI Reports a further £1.6m in Fraud Savings was reported to the Cabinet Office, which is not included in the tables below.

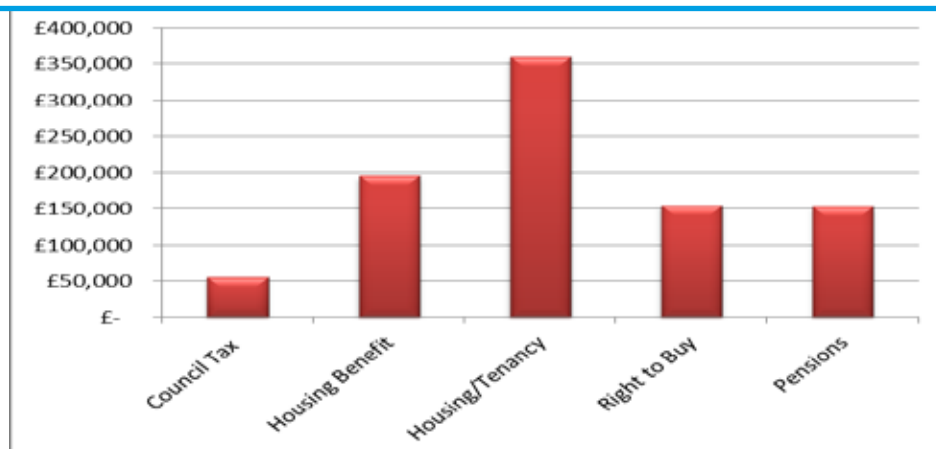
*'Fraud Loss' is where a fraud has occurred resulting in a debt that can be recovered through civil/statutory routes. 'Fraud Savings' reflect attempted frauds that have been prevented or an ongoing 'Loss' that has been stopped.*

**Figure 3a: Fraud Losses identified in year.**



This chart represents the service areas where substantial losses have occurred. Some of these may be recoverable others may not be. A further £20,000 in losses was recorded in other areas due to fraud. Housing Benefit fraud is a notoriously difficult debt to recover, but to the £618,000 HB fraud losses identified can be added £247,000 in subsidy that will be claimed by those councils administering the HB scheme.

**Figure 3b: Fraud Savings identified in year.**



The figures above represent the service areas where substantial future savings have been identified, or in the case of Council Tax new revenue generated. An additional £100,000 of savings was identified through prevention in areas such as cyber enabled frauds, fraudulent insurance claims, staff fraud/theft or blue badge misuse.



## Added Value & Shared Learning

In addition to the reactive and proactive investigations work conducted, the SAFS Team is tasked with delivering activity across partners to raise awareness of the risk of fraud and assist with the prevention and deterrence of fraud.

- SAFS provided training to front line staff in many partners last year including general fraud awareness and service specific training. SAFS have developed an E-Learning training package, with assistance from HCC's Learning and Development Team, which will be rolled out to all Partners in 2018. This package includes modules on bribery and money laundering as well as fraud and corruption.
- Through SAFS fees each partner has free access to the services provided by the National Anti-Fraud Network (NAFN) and training in the use of this, on-line service, has been delivered to a number of debt recovery and housing teams.
- SAFS continues to provide guidance and advice files to partners where specific, new or emerging fraud matters come to light, or changes in legislation require a review of existing policies.
- In 2017/2018 SAFS communicated 21 fraud-alerts to partners from NAFN, National Fraud Intelligence Bureau, Hertfordshire Constabulary, CIPFA and the London Fraud Forum through its membership/subscription to each of these agencies.
- SAFS assisted all partners with the National Fraud Initiative 2017 and, for several, undertook the whole exercise, including data upload and results, acting as the SPOC for those Councils. SAFS assisted the County Council's Customer Service with more than 20,000 NFI matches for Blue Badge and Concessionary Bus Passes. The outcome of this work was the removal of 5,000 records from the County Council's systems and reporting to the Cabinet Office of savings in excess of £1.6m.
- In April 2017 SAFS, working in partnership with officers from the County Council, East Herts Council & St Albans City Council, delivered the final version of a framework contract for all the district and borough councils in Hertfordshire to conduct council tax reviews using a variety of call-off contracts with a number of specialist providers.
- In the summer of 2017 the DWP, MHCLG and the LGA approved the national roll-out of joint working between local councils and the DWP, following the success of six pilot sites across the UK. Three of those sites were North Hertfordshire, East Herts and Stevenage Councils. Staff from those SAFS partners, the SAFS team and DWP worked together to identify more than £350k in social security fraud.

*"I've been the Project Implementation Manager working with SAFS and the DWP Investigation Team to make sure that Joint Working operated smoothly and that both teams had the tools they needed to work effectively and efficiently within the law. It's been a pleasure as both teams were open to the new way of working and enthusiastically embraced the opportunity to test the processes and help us evaluate what we'd put in place. It hasn't all been smooth as you would expect with a test but thanks to a 'can do' attitude Joint Working is now effectively business as usual."*

**Susan Baker**

**Joint Working Support Team | Fraud, Error & Debt Programme | Department for Work and Pensions**

## Data Hub

SAFS has reviewed all data-sharing agreements, contracts, MOUs, and security protocols in preparation for GDPR and DPA 2018 compliance, and continues to collect a wide variety of data from each partner council on a monthly cycle which allows for proactive data-matching.

This has enabled SAFS to match third party data to data from partners such as the Charity Commission, Cabinet Office, Google-Maps and credit reference agencies. This helped to provide tailored data-matching to Broxbourne Council for Business Rates; Hertsmere Council for Housing Applications; and the County Council for employees and pensions as well as bulk data-matching to identify tenancy fraud for Stevenage and Luton Councils.

*"We see many counter fraud initiatives at the Counter Fraud Centre we also see many 'hubs'. This is a really good and rare example of cross public sector real joint working on a data hub whilst linking with national agencies and that has produced clear results. They aren't just saying it – they are doing it. "*

**Rachael Tiffen**

Head of Counter Fraud, CIPFA.

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## A Centre of Excellence

Two medium term objectives for SAFS was the creation of a 'centre of excellence' and delivery of services that could be marketed to other bodies.

The SAFS Partnership was a finalist in the Government's 2016 Counter Fraud Awards as a result of its collaborative approach to countering the threat of fraud. In 2017 the Service was again nominated for awards by CIPFA and the DWP. SAFS officers have been invited to speak at a number of forums and conferences including the national *Fraud Error and Debt Conference*, *Tenancy Fraud Conference*, *CIPFA Best Practice Workshops* and the *Fighting Fraud and Eliminating Error Summit*. SAFS was highlighted in CIPFA's publication *Counter Fraud Report 2017* as an example of best practice in delivering a counter fraud partnership.

SAFS have assisted a number of Councils who are considering developing similar partnerships or simply developing an effective anti-fraud service.

In 2017 Luton Borough Council joined SAFS and three housing providers, Aldwyck Housing, B3Living and Watford Housing Trust all became clients with retainer contracts. As well as enhancing the scope and work of SAFS these new organisations provide additional resilience for the Service as a whole.

SAFS works with a number of Councils and private sector companies who provide specialist IT, surveillance, financial, forensics and data-analytic skills enabling it to improve the quality and depth of its investigations to better support its partners.



## Future Developments

The *SAFS Service Plan 2018/19* includes four core pieces of work as well as increased KPIs for the Service:

- 1.** Developing the Data-Hub. SAFS are trialing the Cabinet Office/NFI *Fraud Hub* in 2018/2019. If this trial is successful the intention is to replace the existing data-warehouse contract by April 2019. SAFS will be the first organisation to sign up to this innovative approach to live data-matching across local and central government to identify fraud through the use of improved analytics and risk scoring.
- 2.** Fraud in adult care has been identified by CIPFA as one of the largest growth areas of fraud risk for Councils. The County Council's Director for Adult Care has invested additional finances and management support into SAFS for 2018/19 to see how this emerging threat can be countered.
- 3.** Roll out of Joint Working with DWP. The trial of joint working with DWP from 2016 has been a huge success and SAFS will work with all District Partners to ensure the smooth roll-out of the national programme in late 2018.
- 4.** Case Management System (CMS). The current CMS contract is due to be re-tendered by March 2019. The Service will be looking for a contract that provides a 21st century solution to the specific needs of the Service.

SAFS will continue to deliver its existing services to its partners and clients and continually look for ways to improve the Service and react to new and emerging fraud threats. It will work with other bodies, across all sectors, working in partnership, sharing best practice, knowledge and experience.



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## SAFS Budgets and Finances

The Budget for 2017/18 included an anticipated draw on reserve of £83k but savings made in legal costs, a rebate on the case management system and reduced staff costs, due to vacancies and unplanned absences, the actual draw on reserve was reduced to £12k.

The reserve carried into 2018/19 was £84k.

SAFS Budget against Out-turn 2017/18		Budget £	Actual Spend £	Variance £
Salaries & Salary Related	Salaries	£614,176	£572,372	-£41,804
Transport Related	Transport	£8,000	£7,113	-£887
Supplies & Services	Supplies	£90,000	£69,834	-20,166
Third Party Payments	3rd Party	£45,668	£32,548	-£13,120
Movement from Reserve	Reserves	-£83,844	-£12,701	-£71,143
Fees and Charges	Income	-£674,000	-£669,166	£4,834
Result		0	0	



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## SAFS Board Members

The SAFS Board provides strategic direction and oversight for the partnership, bringing a wealth of local government experience and insight to our operation.

<b>Steven Pilsworth</b>	Hertfordshire County Council	Assistant Director – Finance
<b>Terry Barnett</b>	Hertfordshire County Council	Head of Assurance
<b>Sajida Bijle</b>	Hertsmere Borough Council	Corporate Director
<b>Ian Couper</b>	North Hertfordshire District Council	Director Finance, Policy & Governance
<b>Sarah Marsh</b>	Borough of Broxbourne Council	Head of Internal Audit
<b>Isabel Brittain</b>	East Herts Council	Head of Strategic Finance & Property
<b>Clare Fletcher</b>	Stevenage Borough Council	Assistant Director (Finance and Estates)
<b>Dev Gopal</b>	Luton Borough Council	Service Director, Finance & Audit



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## SAFS Team

All SAFS staff are fully accredited or working towards professional accreditation relevant to their role within the service.

<b>Nick Jennings</b>	Head of Service
<b>Paula Hornsby</b>	Manager South Team
<b>Darren Bowler</b>	Manager North Team
<b>Stephen Everett</b>	Data- Analyst
<b>Halina Nawrocka</b>	Senior Counter Fraud Officer
<b>Hilary Williams</b>	Counter Fraud Officer
<b>Faith Taggart</b>	Counter Fraud Officer
<b>Natalie Nelson</b>	Counter Fraud Officer
<b>Phil Juhasz</b>	Senior Counter Fraud Officer
<b>Hayley Fraser</b>	Counter Fraud Officer
<b>Gill Nichol</b>	Counter Fraud Officer
<b>Rob Fleming</b>	Counter Fraud Officer
<b>Bhavna Tailor</b>	Counter Fraud Officer
<b>Toni Gubby</b>	Tenancy Fraud Officer (SBC)
<b>Raul Avram</b>	Counter Fraud Intern
<b>Paula Staniford</b>	Counter Fraud Intelligence Officer
<b>Marina King</b>	Counter Fraud Intelligence Officer
<b>Sam Deards</b>	Counter Fraud Intelligence Officer



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