



Stevenage Borough Council

Progress Report Anti-Fraud Plan 2018/19

November 2018

Members are recommended to:

Note the work of Officers and the Shared Anti-Fraud Service (SAFS) in delivering the *Anti-Fraud Plan 2018/19*.

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1. Introduction

- 1.1 In March 2018 this Committee approved the Anti-Fraud Plan proposed by senior officers and SAFS management- see **Appendix A**. The Plan follows guidance and best practice from the Chartered Institute of Public Finance and Accounts (CIPFA), The Local Government Association (LGA) and the Ministry for Housing, Communities and Local Government (MHCLG).

In particular the Plan for 2018/19 took account of the following reports.

- *Fighting Fraud and Corruption Locally 2016–2019 Strategy*
- *UK Annual Fraud Indicator 2017*
- *Fraud and Corruption Tracker 2017*
- *United Kingdom Anti-Corruption Strategy 2017-2022*

- 1.2 The aim of the Plan is to deliver an anti-fraud culture across the Council, with the prevention and deterrence of fraud being the primary objective but, ensuring that sufficient resources are in place to investigate fraud, where its occurs, and pursue those guilty of defrauding the Council, including the recovery of losses and imposition of penalties, both civil and criminal.
- 1.3 The following page shows the planned anti-fraud activity for the Council in 2018/19 and the current status for each area.

SBC / SAFS Action Plan 2018/2019					
CIPFA Principles	SAFS Objectives	Goals & 6Cs	Activities	Responsible Officer	Progress
ACKNOWLEDGE	Ensure ongoing effectiveness and resilience of anti-fraud arrangements	Fraud is acknowledged as a Risk for the Council CULTURE	The Council has in place Anti-Fraud and Corruption Strategy	Head of Shared Legal	Outstanding
			The Council has a Fraud Response Plan and this Action Plan	AD(Finance and Estates)	Complete
			Audit Committee and Senior Managers ensure compliance with CIPFA best practice in their counter fraud arrangements	AD(Finance and Estates)	Complete
			The Council conducts Fraud Risk Assessments	SAFS Mgr/ Risk Mgr/SIAS Mgr	Under Review
	Improve the reach into areas of 'corporate' fraud across all Partners	The Council has a robust communication policy demonstrating its commitment to prevent fraud COMMUNICATION	The Council has in place Policies to deal with Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime	Head of Shared Legal	Complete
			The Councils Communication Team will publicise prosecutions and anti-fraud campaigns conducted by it and SAFS	Head of Comms	Ongoing
			SAFS will provide access to fraud reporting tools (web/phone/email)	SAFS Mgr	Complete
			The Council and SAFS will make available fraud awareness or specific anti-fraud training across all Council services	SAFS Mgr & Head of HR	Ongoing
Create a data hub for Hertfordshire	Co-ordination of effort, sharing of best practice, data, fraud alerts and new threats. COLLABORATION	Provide fraud alerts to appropriate officers/staff/services.	SAFS Mgr	Ongoing	
		SAFS will provide an E-Learning Packages for staff/members	SAFS Mgr & Head of HR	Complete	
		Develop existing SAFS Data Hub- including support projects for Housing and Shared R&B	SAFS Mgr	Complete	
		Review data sharing agreements/protocols between internal and external partners	Head of Shared Legal / SAFS Mgr	Under Review	
PREVENT	Develop services which can be marketed to external bodies	Have the highest levels of professional standards COMPETENCE	Work to develop 'Flexible NFI & 18/19 NFI Matches	SAFS Mgr	Ongoing
			Work with DWP to deliver CTRS/HB/Housing Fraud 2018 roll-out	SAFS Mgr / Head of Shared R&B	Complete
			Work with other organisations, including private sector, to improve data-sharing	SAFS Mgr	Complete
			All SAFS staff will be fully trained and accredited	SAFS Mgr	Complete
	Deliver financial benefits in terms of cost savings or increased revenue	Ensuring the Counter-Fraud Measures are appropriate to the range of fraud risk. CAPABILITY	All investigations will be undertaken in compliance with relevant legislation and Council Policies	SAFS Mgr	Ongoing
			SAFS will work with bodies such as CLG/LGC/CIPFA to develop local anti-fraud strategies at a national level	SAFS Mgr	Ongoing
			SAFS will work with Council Services to make best use of 3rd party Providers such as NAFN, PNLD etc	SAFS Mgr	Complete
			SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	SAFS Mgr	Ongoing
PURSUE	Create a recognised centre of excellence that is able to disseminate alerts and share best practice nationally	Develop the right level of resources to deal with the level of fraud risk CAPACITY	SAFS will record and report on all fraud referred, investigated and identified	SAFS Mgr	Ongoing
			SAFS will review fraud trends and new threats and report on these to Council Managers	SAFS Mgr	Ongoing
			SAFS, Shared Legal Service and Debt teams will seek to 'prosecute' offenders and recover losses	SAFS Mgr / Head of Shared Legal/ Head of Shared R&B	Ongoing
			The Council will review its ROI from SAFS Membership	AD(Finance and Estates)	Ongoing
	Create a recognised centre of excellence that is able to disseminate alerts and share best practice nationally	Develop the right level of resources to deal with the level of fraud risk CAPACITY	SAFS will assist the Council in providing its Transparency Code (Fraud) Data annually	SAFS Mgr	Complete
			Reports to Senior Mgt and Audit Committee on SAFS and Council activity	SAFS Mgr / AD(Finance and Estates)	Ongoing
			Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement	AD(Finance and Estates)	Under Review
				AD(Finance and Estates) is the Councils s.151 Officer Head of Shared Legal is the Councils Monitoring Officer	

2. Fraud Awareness and Prevention

- 2.1 One of the key aims for the Council is the creation of an 'Anti-Fraud' culture that will assist in preventing and deterring fraud; ensure that senior managers and members consider the risk of fraud when developing policies or processes; encourage all staff and local residents to understand the impact of fraud on Council services and to report fraud where it is suspected.
- 2.2 The Council ensures that suspected fraud can be reported by both staff and the public alike. Work is underway to develop the Council's website and intranet to provide improved links to the SAFS webpage.
- 2.3 The SAFS have delivered a number of training sessions for staff already and a plan has been developed to deliver additional sessions to staff in front line customer services assist in the identification and reporting of false documents. Working with HR Teams across the County SAFS have developed and published an e-training package for staff and Members which will be linked to the Councils policies and fraud reporting processes.
- 2.4 The SAFS webpage – www.hertsdirect.org/reportfraud includes an online reporting tool. A confidential fraud hotline (0300 123 4033) and a secure email account are also available for reporting fraud – fraud.team@hertfordshire.gov.uk . These contact details are included on the Councils own website. None of these functions replace the Council's own in-house Whistleblowing reporting procedures. Council staff can use the same methods to report fraud.
- 2.5 The SAFS have issued several alerts to officers from the National Fraud Intelligence Bureau and the National Anti-Fraud Network reporting new and emerging fraud threats or fraud trends. SAFS have also issued reminders to staff to be vigilant against the continued attempts by fraudsters, using social media and fake emails, to encourage breaches of financial regulations and payment processes.
- 2.6 SAFS have worked closely with senior officers to ensure that the Council is able to comply with the statutory National Fraud Initiative (NFI) which takes place between October 2018 and February 2019. The NFI is a national anti-fraud data sharing exercise conducted by the Cabinet office every two years across local and central government.

3. Counter Fraud Staffing

- 3.1 From April 2018 the SAFS Team was Composed of sixteen accredited and trained counter fraud staff and is based at Hertfordshire County Councils offices in Stevenage.
- 3.2 Each SAFS Partner receives dedicated support and response from the Team. At present the most effective way to do this is by allocating officers to work exclusively for each Partner. These officers act as the first point of contact for that Partner's

services, and will assist in developing relationships at a service level, delivering training, and working on local pilot projects. SAFS Officers have access to Council offices, officers and systems to conduct their enquiries.

- 3.3 For the 2018/19 Anti-Fraud Plan SAFS has deployed one Counter Fraud Officer to work exclusively for the Council. This officer was supported by SAFS Management, a Data-Analyst and the SAFS Intelligence Team based at Stevenage. The Council also has its own Tenancy Fraud Officer who SAFS support through training, management of case load, and access to investigation/intelligence support.

4. Counter Fraud Activity

- 4.1 To the end of September 2018 SAFS had received 94 allegations of fraud affecting Council services. 113 cases were carried forward from 2017/18, and 91 cases are still under investigation.
- 4.2 Reported fraud covers a number of Council services and these reports come from a variety of sources including Council staff. Compared to other district councils in the SAFS Partnership the volume and variety of alleged fraud being reported is very good.

Table 1. Types of fraud being reported (in year):

Housing Benefit & Council Tax Support	Housing	Payroll	Blue Badge	Council Tax Discounts	Other	Total
29	22	2	6	33	2	94

Table 2. Who is reporting Fraud?

Fraud Reported by Staff	Reports from Public	Proactive Drives and Data-Matching	Other	Total
57	22	12	3	94

- 4.3 At this time many cases raised for investigation are still in the early stages. However, of the 35 cases investigated and closed in year where fraud was identified losses of £77,655 and savings of £91,853 were recorded. A full breakdown of all cases where fraud has been identified and how savings/losses are recorded will be include in the 2018/2019 Annual Report to this Committee in 2019.
- 4.4 SAFS continues to support the work of the Councils Tenancy Fraud Officer and has funded two projects aimed at preventing tenancy fraud (I-latch) and identifying fraud as it occurs (Housing Partners). The Tenancy Fraud Officer also conducts reviews of all 'Right to Buy' applications made by the Councils tenants. This work in focused on

the prevention of money laundering and ensuring that vulnerable tenants are not exploited by organised crime.

- 4.5 SAFS delivered a framework contract for all councils in Hertfordshire to make use of to conduct bulk reviews of council tax discounts and exemptions to improve collection rates and prevent fraud. The Council have made use of this framework and a review of this work is ongoing at present and will be complete early in 2019.
- 4.6 The Councils Parking Enforcement Team work closely with SAFS. This work includes joint activity in the Councils pay and display car parks and the prosecution of persistent offenders or persons using forged or stolen Blue Badges to avoid parking charges.
- 4.7 SAFS has worked with the Shared Revenue & Benefit Service to identify potentially fraudulent applications for discounts and exemptions. The Council is now making active use of civil and financial penalties relating to false claims for discounts and exemptions where appropriate. So far the Council has imposed financial penalties on three occasions in 2018/19.
- 4.8 The national roll-out of joint working with the DWP Fraud and Error Service in February 2019 follows a successful 18 month pilot at the Council and two other SAFS sites in Hertfordshire.

5. SAFS KPI Performance

KPI	Measure	2018/2019 Target	Achieved in 1st Half Year
1	Provide an Investigation Service	<ul style="list-style-type: none"> • 1 FTE on call at SBC (Supported by SAFS Intel/ Management). • Membership of the National Anti-Fraud Framework (NAFN) • Access to NAFN for relevant SBC Staff • Membership of CIPFA Counter Fraud Centre • Fraud training events for staff/Members • Support for In-House Housing Investigator 	<ul style="list-style-type: none"> • 1 FTE in place with full support • Membership of NAFN in place and training provided to officers • SAFS are members of the CIPFA Counter Fraud Centre for all Partners • Training sessions delivered and more planned by early 2019 • Support for in-house officer ongoing with training, access to SAFS CMS, allocation and management of cases
2	Identified Value of Fraud prevented/detected. Based on the Methodology agreed by SAFS Board	<p>£450k</p> <p>From fraud identified and savings/prevention</p> <p>Recovery of 12 Properties</p>	<p>£169k</p> <p>(£92K Fraud Losses & £77k Fraud Savings reported)</p> <p>5 Properties recovered</p>
3	Allegations of fraud Received. From all sources.	<p>100</p> <p>Fraud referrals from all sources to SAFS</p>	<p>94 Referrals received</p>
4	Success rates for cases investigated. This will ensure that quality investigations are undertaken.	<p>50%</p>	<p>57%</p> <p>(35 cases closed- 20 proved)</p>
5	Conduct Data-Matching using the local data-hub, NFI and other data-matching/mining.	<ul style="list-style-type: none"> • Data-Hub for local data matching. • Access to NFI output. • County wide Council Tax Review Framework • Housing Partners system. 	<ul style="list-style-type: none"> • SBC submits data to the SAFS Data-Hub. • SAFS lead for NFI 2018/19. • CTax Framework is being used in 2018. • HP system in place and producing work since April

Appendices:

- A. SBC Anti-Fraud Plan 2018/2019