**Stevenage Borough Council
Anti-Fraud Plan 2019/2020**

in partnership with

The Shared Anti-Fraud Service

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Introduction

This plan supports the Councils Anti-Fraud and Corruption Strategy by ensuring that Stevenage Borough Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service and others, has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Policy states that the Council;

- **is opposed to fraud and corruption,**

- **recognises the need for staff and Members to support the policy,**

- **expects Members and staff to adhere to the highest standards of honesty and integrity,**

- **that Members and staff will act in accordance with legal requirements and Council procedures,**

- **that individuals and organisations that deal with the Council to meet the same standards.**

This plan includes objectives and key performance indicators that support the Strategy and meet the best practice guidance/directives from central government department such as Ministry for Housing Communities and Local Government and other bodies such as National Audit Office and the Chartered Institute for Public Finance and Accountancy.

National Context.

In 2013 the National Fraud Authority stated that the scale of fraud against local government is large, but difficult to quantify with precision. Since 2013 a number of reports have been published by various organisations including CIPFA, NAO and MHCLG stating that the threat of fraud against local government is both real, causes substantial loss and that fraud should be prevented where possible and pursued where it occurs.

In its 2015 publication *Code of practice on managing the risk of fraud and corruption* CIPFA highlighted the five principles for public bodies to embed effective standards for countering fraud and corruption in their organisations. These principles support good governance and demonstrate effective financial stewardship and strong public financial management

The five key principles of the code are to:

- Acknowledge the responsibility of the governing body for countering fraud and corruption
- Identify the fraud and corruption risks
- Develop an appropriate counter fraud and corruption strategy
- Provide resources to implement the strategy
- Take action in response to fraud and corruption.

The CIPFA *Local Government Counter Fraud and Corruption Strategy (2016-2019)* included a summary of reported fraud losses across councils in England totalling £307m per annum but that hidden and unreported fraud risks could exceed £2bn each year. The strategic response for local government to respond to the threat of fraud threats provides three key principles **'Acknowledge/Prevent/Pursue'**. The strategy was supported by Department for Communities and Local Government, the Local Government Association and Fighting Fraud Locally Board.

In addition, local authorities can ensure that their counter fraud response is comprehensive and effective by considering their performance against each of the six themes (6C's) identified in the CIPFA Strategy:

- Culture - creating a culture in which beating fraud and corruption is part of daily business,
- Capability - ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks,
- Capacity - deploying the right level of resources to deal with the level of fraud risk,
- Competence - having the right skills and standards,
- Communication - raising awareness, deterring fraudsters, sharing information, celebrating successes
- Collaboration - working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information

The Annual Fraud Indicator (AFI) 2017 (published in partnership by Crowe Clark Whitehill, Portsmouth University and Experian) attempts to identify the cost of fraud to the UK economy. The AFI estimated fraud losses for local government as follows.

- Total loss across local government - £7.8bn
- Tenancy Fraud- £1.8bn
- Procurement Fraud - £4.4bn
- Payroll Fraud - £1bn
- Other - £.6bn

The AFI does not include housing benefit fraud or council tax fraud as a loss to local government but estimates the loss of these combined at around £1.1bn.

What is clear is that every pound lost to fraud from the public purse is a pound lost from essential front line services. The Councils Anti-Fraud Plan 2019/2020 is based on the principles of 'Acknowledge/ Prevent/ Pursue' and the 6 C's to ensure the Council is adequately protected from fraud risk and where fraud does occur there are plans to manage, mitigate, recover any losses.

SAFS Resources 2019/2020

Anti-Fraud Arrangements

Stevenage Borough Council is a founding Partner in the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015.

SAFS is a Partnership where each organisation pays an annual fee for Hertfordshire County Council to provide a contracted service across the whole Partnership. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has one seat on the Board. For Stevenage Borough Council the Assistant Director- Finance & Estates is the Board representative.

Although SAFS provides much of the Councils proactive, reactive and operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

Budget

In September 2018 the SAFS Board accepted a report from the SAFS Manager to increase the fees for all Partners. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for the next three years. There has been no previous increase in fees since 2015.

The Board agreed that the annual fee for all Partners would increase by 2% per annum to 2022 to be reviewed further at that time and that fees for Stevenage Borough Council will increase from £100,000 + VAT (2018/19) to £102,000 + VAT (2019/20).

Staffing

The full complement of SAFS in 2019/20 will be 17.6 FTE's; 1 Manager, 2 Assistant Managers, 10 Investigators, 3 Intelligence Officers. The Team is also supported by 1 FTE Data-Analyst and .6 FTE Accredited Financial Investigator both posts funded from SAFS Budgets.

Stevenage Borough Council will have access to 1 FTE Investigator, access to intelligence functions of the service, all data-matching services being offered through the SAFS Data-Hub and Herts *FraudHub* hosted by the Cabinet Officer and can call on SAFS management for liaison & management meetings and three Audit Committees reports per annum. SAFS also have access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties.

SAFS will also support the Tenancy Fraud Investigator employed by the Council, providing access to systems, intelligence and management support for investigations.

SAFS will provide fraud awareness training for Council staff and be available during normal office hours to provide general advice or guidance to officers on emerging fraud threats or those matters requiring an immediate response.

SAFS - Standards of Service.

SAFS will provide Stevenage Borough Council with the following fraud prevention and investigation services as part of the contracted anti-fraud function.

1. Access to a managed fraud hotline and webpage for public reporting.
2. Process and document for SAFS Partner staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Prevention.
4. Assistance in the design/review of Council policies, processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates which can be adopted by the Council.
6. SAFS will provide a proactive data-matching solution (NFI- Herts *FruadHub*) to assist in the early identification of fraud and fraud prevention
   - The FraudHub will be funded by the Council
   - The FraudHub will be secure and accessible only by nominated SAFS and Council Staff.
   - Data will be collected and loaded in a secure manner.
   - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually. The protocol will clearly outline security provisions and include a Privacy Impact Assessment.
   - SAFS will work with nominated officers in the Council to access data-sets to load into the data-warehouse and determine the frequency of these.
   - SAFS will work with Council officers to determine the most appropriate data-matching for each of them and the frequency of such data-matching.
7. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
8. All SAFS investigations will comply with legislation including DPA, GDPR, PACE, CPIA, HRA, RIPA* and all relevant policies of the Council.
9. Reactive fraud investigations.
   - All reported fraud will be actioned by SAFS within 5 days, on average.
   - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response within 2 working days of receipt
   - All cases reported to SAFS will be reviewed within 5 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation or referral to 3rd parties including police, DWP, Action Fraud.
   - The Council will be informed of all reported fraud affecting its services.
   - SAFS will allocate an officer to each cases selected investigation.
   - SAFS officers will liaise with nominated officers at the Council to access data/systems/office accommodation required to undertake their investigations.
   - SAFS officers will provide updates on cases and a report with summary of facts and supporting evidence on conclusion of the investigation for the Council to review and make any decisions.
   - Where a decision indicates an offence SAFS will draft a report for the nominated officers of the Council to make a decision on any further sanctions/prosecutions.
10. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal based on the Code for Crown Prosecutors and the Council's published policies.
11. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
12. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
13. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

Data Protection Act , General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.

SBC / SAFS Action Plan 2019/2020

CIPFA Principles	Goals & 6Cs	Activities	Responsible Officer
ACKNOWLEDGE	Fraud is acknowledged as a Risk for the Council **CULTURE**	The Council has in place Anti-Fraud and Corruption Strategy & Fraud Response Plan	s.151 / Monitoring Officer
		Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement. Review the Councils Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime Policies	Monitoring Officer
		Audit Committee and Senior Managers ensure compliance with CIPFA best practice in the Councils counter fraud arrangements	s.151 Offier
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Monitoring Officer
	The Council has a robust communication policy demonstrating its commitment to prevent fraud **COMMUNICATION**	The Councils Communication Team will publicise prosecutions, anti-fraud campaigns and provide internal communications to staff on fraud awareness	Head of Communications
		Access to SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.	SAFS Mgr
		The Council and SAFS will provide fraud awareness or specific anti-fraud training across all Council services and review the E-Learning Training for staff	SAFS Mgr & Head of HR
		SAFS will provide fraud alerts to appropriate officers/staff/services from Action Fraud/ NAFN/ Police .	SAFS Mgr
PREVENT	Co-ordination of effort, sharing of best practice, data, fraud alerts and new threats. **COLLABORATION**	Implement the contract for Stevenage Borough Council to join the Herts *FraudHub in 2019.*	SAFS Manager/ Monitoring Officer
		Review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA	Monitoring Officer
		Deliver the NFI 2018/19 Exercise	SAFS Mgr
		Work with DWP to deliver CTRS/HB joint working 2018/19 roll-out	SAFS Mgr/Shared R&B Manager
		Work with other organisations, including private sector, to improve access to data	SAFS Mgr
	Have the highest levels of professional standards **COMPETENCE**	All SAFS staff will be fully trained and accredited	SAFS Mgr
		All investigations will comply with relevant legislation and Council policies	SAFS Mgr
		SAFS will work with the LGA and Cabinet Office to support the roll out of a Counter-Fraud Profession	SAFS Mgr
		SAFS will work with all relevant Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA	SAFS Mgr
PURSUE	Ensuring the Counter-Fraud Measures are appropriate to the range of fraud risk. **CAPABILITY**	SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	SAFS Mgr/ S.151 Officer
		SAFS will record and report on all fraud referred, investigated and identified	SAFS Mgr
		SAFS will review fraud trends and new threats and report on these to Council officers	SAFS Mgr
		The Shared Legal Service and Housing, HR and Debt Recovery Teams will seek to 'prosecute' offenders, apply sanctions, recover social homes and recover financial losses	Monitoring Officer
	Develop the right level of resources to deal with the level of fraud risk **CAPACITY**	The Council will review its ROI from SAFS Membership	S.151 Officer
		SAFS will assist the Council in providing its Transparency Code (Fraud) Data annually	SAFS Mgr
		Reports for Audit Committee on all Counter Fraud activity	SAFS Mgr/ S.151 Officer
		SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	SAFS Mgr

s.151 Officer is Assistant Director- Finance & Estates
Monitoring Officer is Service Director- Head of Shared Legal Service

SAFS
KPIs 2019/2020

KPI	Measure	Target 2019/2020	Target 2018/2019	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	New Target	Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 1 FTE on call at Stevenage Borough Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit Committee. C. SAFS Attendance at Corporate Governance Groups.	A. 1 FTE B. 2 Report C. New	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases 2 Days. B. All other cases 5 Days on Average. C. Provide compliance for 'Joint Working' with DWP/FES	New Target	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN B. Membership of CIPFA Counter Fraud Centre C. Access to NAFN for relevant Council Staff D. 5 Fraud training events for staff/Members in year. E. Support for in-house TF Investigation Staff.	New Target	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. 100 - Fraud referrals from all sources to SAFS B. 60% of cases investigated and closed in year proved. C. 12 Social homes secured from sub-letting or other unlawful tenancy breaches. D. 100% Review of RTB Application.	A. 100 Refs B. 60% C. 12 D. New	This target will measure the effectiveness of the service in promoting the reporting of fraud by staff and public, & measure the effectiveness in identifying cases worthy of investigation.
6	Making better use of data to prevent/identify fraud.	A. Implement the Herts FraudHub for SBC. B. Complete NFI 2018/2019 Reports.	New Target	Build a Hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.

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