



Agenda Item:

**4**

Stevenage Borough Council  
Shared Anti-Fraud Service  
Report  
March 2017

Recommendation

Members are recommended to:

Note the progress of the Shared Anti-Fraud Service and progress against the Anti-Fraud Action Plan 2016/2017 *(for the period 1.4.2016- 31.12.2016)*.

Agree the Anti-Fraud Action Plan 2017/2018.

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#### Appendices.

#### 1. Progress against the SBC Anti-Fraud Action Plan 2016/2017



Adobe Acrobat  
Document

#### 2. Draft SBC Anti-Fraud Action Plan 2017/2018



Adobe Acrobat  
Document

# 1 Introduction and Background

## Purpose of Report

- 1.1 To provide Members with;
- the progress made by the Shared Anti-Fraud Service (SAFS) against the Council's Anti-Fraud Action Plan 2016/2017 (between 1.4.2016 & 31.12.016) and, the proposed Anti-Fraud Action Plan 2017/2018 for adoption by the Council.

## Background

- 1.2 According to reports from the Chartered Institute for Public Finance and Accountancy (CIPFA) The National Audit Office (NAO), and Cabinet Office, it is estimated that fraud loss across local government in England stands at around £2.2billion each year.
- 1.3 The Department for Communities and Local Government, and CIPFA have also issued guidance, advice, and best practice to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for Councils to be vigilant, to recognise their fraud risks and to invest resources in counter fraud activities that deliver savings.
- 1.4 It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of fraud.

# 2 SAFS Update

## Staffing

- 2.1 The Shared Anti Fraud Service is a partnership of councils and housing providers across Hertfordshire and Bedfordshire with the aim of deterring, preventing, investigating and pursuing fraud for each of its partners providing a robust and resilient service
- 2.2 Stevenage Borough Council (the Council) is a founder member of the SAFS Partnership and this service provides the front line of the Council's Anti-Fraud activity.

## Fraud Awareness and Reported Fraud

- 2.4 One of the key elements of a successful service is for SAFS to ensure that fraud can be reported by both staff and the public. The Council's website has options for the public and staff to report suspected fraud.
- 2.5 SAFS has its own webpage – [www.hertfordshire.gov.uk/fraud](http://www.hertfordshire.gov.uk/fraud) which has an online reporting tool, a hotline (0300 123 4033) and a secure email account for reporting fraud – [fraud.team@hertscc.gcsx.gov.uk](mailto:fraud.team@hertscc.gcsx.gov.uk). These contact details have been added to the Council's website to capture all fraud reported to the Council.
- 2.6 Between April and December 2016, SAFS received over 600 allegations of fraud across all of its Partners. For the Council 149 new cases had been reported between April and December 2016 and a number of live cases were carried forward from 2015/2016.
- 2.7 A full report on cases dealt with in 2016/1017 will be provided to this committee in the summer of 2017, between April and December 2016 the following statistics are available:

- Fraud savings or losses in excess of £550k have been identified:

<b>Area of fraud</b>	<b>Value of Loss</b>	<b>Value of Saving</b>
Blue Badge Abuse	N/R	£1,500
Housing Benefit Fraud	£87,000	£32,000
Council Tax Fraud	£25,000	£8,000
Business Rates Avoidance	N/R	£37,000
Tenancy Fraud	£211,000	£108,000
Right to Buy Fraud	0	£50,000

- 11 people were prosecuted for fraud against the Council with costs awarded of £5k and 4 more cases are awaiting court hearings,
- 4 people had accepted financial penalties totalling £1.2k as alternatives to prosecution.
- 6 Council properties have been recovered so far with 5 further properties subject to possession proceedings at the end of December 2016.
- The Councils contribution to the SAFS Partnership costs for 2016/2017 is £100,000+ VAT.

## Pilot Projects

- 2.8 SAFS has worked effectively with the Councils Parking Enforcement Officers to help combat Blue Badge abuse in pay and display parking areas across the Borough and a number of cases have been referred for prosecution
- 2.9 SAFS has developed an excellent relationship with the shared Revenue and Benefit Service hosted at East Herts Council and this has included fraud awareness training to that service.
- 2.10 Although the Council now employs its own in-house Tenancy Fraud Officer SAFS support that officer, through use of intelligence, case management and a shared management system hosted by SAFS. This area of work continues to produce significant savings to the Council.
- 2.11 SAFS has delivered a county-wide Council Tax Review Framework to identify fraud in Council Tax, particularly around fraudulent discounts and exemptions, as well as empty homes, and council tax support schemes. This will be introduced in the spring of 2017 for all districts, and will be funded by the County Council and all participating districts.

## 3 Anti-Fraud Documents

### Performance against Anti-Fraud Action Plan 2016/2017

- 3.1 The Council has in place an Anti-Fraud and Corruption Policy. This Policy lays out the Council's position. This document pre-dates SAFS and will be reviewed in to ensure it meets the latest best practice guidance from CIPFA.
- 3.2 A copy of the 2016/2017 Anti-Fraud Action Plan and progress against this can be found at **Appendix 1**. Activity against the plan includes the officer/service with the responsibility for action, and key dates for delivery.
- 3.3 With the introduction of SAFS, delivery of the plan has been shared by the Director of Finance, the Head of Internal Audit, and the Manager of SAFS. This has worked well in 2016/2017 with more of the work around proactive counter fraud activity migrating towards SAFS.
- 3.4 All of the objectives set in the 2016/2017 plan have been achieved, or are well on the way to delivery.

### Proposed Anti-Fraud Action Plan 2017/2018

- 3.5 Although the format and delivery of the 2016/2017 worked well this still represented the delivery of a new service. The plan for 2017/2018 uses a

slightly different format which is based on SAFS providing a more 'business as usual' service to the Council. See **Appendix 2** for a copy of the plan.

- 3.6 Adherence to the proposed plan for 2017/2018 will ensure compliance with the Council's own Strategy and the best practice guidance issued by Government, NAO, and CIPFA.

### SAFS Reports 2017/2018

- 3.7 SAFS will provide a full report to this Committee in summer 2017 on the Council's anti-fraud performance and activities in 2016/2017. This will include the number of, and types of, cases investigated with outcomes and the financial savings identified from all anti-fraud activity. In March 2018 SAFS will provide a revised Anti-Fraud Action Plan for 2018/2019.
- 3.8 SAFS will provide all 'fraud data' to meet the requirements of Paragraph 55 of the Local Government Transparency Code 2015 for publication by the Council.