



Stevenage Borough Council

Audit Committee

March 2024

Progress with delivery of the

2023/24 Anti-Fraud Plan

## Purpose

1. This report provides details of the work undertaken to protect the Council against the threat of fraud and the Council's 2023/24 Anti-Fraud plan. The Committee is asked to note this work.

## Recommendation

2. **The Committee is RECOMMENDED to;**
  1. **note the progress made by the Shared Anti-Fraud Service on delivering the 2023/2024 Anti-Fraud Plan.**

## Background

3. Stevenage Borough Council is a founding member of the Shared Anti-Fraud Service (SAFS). This Committee has received detailed reports previously about how SAFS works closely with the Council Officers and the Shared Internal Audit Service (SIAS). SAFS works across the whole Council dealing with many aspects of fraud, from deterrence & prevention to investigation & prosecution.
4. Recent reports on fraud and corruption have been shared with Council officers and are used by SAFS to ensure that the Council is aware of its fraud risks and is able to manage these effectively.
5. Some of the most significant recent reports include:
  - ***Fighting Fraud and Corruption Locally a Strategy for the 2020's***. This strategy focuses on the governance and 'ownership' of anti-fraud and corruption arrangements. The Strategy also identifies areas of best practice and includes a 'Checklist' to compare against actions taken by the Council to deter/prevent/investigate fraud. The checklist is maintained and reviewed by SAFS and officers.
  - ***Tackling Fraud in the Public Sector 2020***. In 2019 CIPFA commissioned a survey and round table events for senior managers in local government to establish what local authorities were doing to tackling fraud. The survey was conducted by an independent body with the support of LGA and MHCLG.
  - ***UK Fraud Strategy 'Stopping Scams and Protecting the Public***. The Government launched its latest strategy in 2023 aimed at bringing government and the private sector together to tackle fraud, the pursuit and punishment of fraudsters, providing more recognition of fraud and how to avoid it.
  - ***Lost Homes, Lost Hope***. This paper, published by the Fraud Advisory Panel & Tenancy Fraud Forum in April 2023 uses previous data and research to estimate the current cost to local government of tenancy fraud along with the

volume of fraud across the sector. The SAFS Partners have adopted the value of fraud loss used in this academic piece when reporting 'tenancy fraud'.

## Report

### Anti-Fraud Activity 2023/24

#### Staffing & Resources

6. In March 2023 (this Committee approved the 2023/24 Anti-Fraud Plan for the Council and KPIs for the SAFS. See [Agenda for Audit Committee on Monday, 27 March 2023, 6.00pm \(stevenage.gov.uk\)](#) for details of the Plan and **Appendix 1** for progress with delivery and KPI Performance.
7. The SAFS Team this year is composed of 23 accredited and trained counter fraud staff and is based at Hertfordshire County Council's offices in Hertford.
8. Each SAFS Partner receives dedicated support and response through a number of 'operational' days where SAFS staff are allocated to various cases, projects, training or other anti-fraud functions at the Council,. Providing the Service in this manner allows officers to develop working relationships with Council staff, and also provides improved resilience and flexibility across the Partnership as a whole. SAFS Officers have access to Council offices, officers, systems & data to conduct their enquiries.
9. The SAFS allocated 450 operational days exclusively for the Council in 2023/24, this includes SAFS Management, fraud risk assessment & Executive Reports, reactive/proactive investigations, data-matching & data-analytics (NFI etc), face to face and virtual learning sessions for staff, financial investigations, application of sanctions and supporting prosecutions.

#### Fraud Awareness and Prevention

10. A key objective for the Council is to develop the existing anti-fraud culture; ensuring senior managers and members consider the risk of fraud when developing policies or processes; helping to prevent fraud occurring; deterring potential fraud through external communication; encouraging all officers to report fraud where it is suspected; and providing public confidence in the Councils stance on fraud and corruption.
11. The Council took part in the International Fraud Awareness Week in November 2023 with planned activity utilising social media and national/international resources. Campaigns such as this encourage residents to report fraud and provide assurance that the Council takes fraud seriously and acts on those reports.
12. The SAFS webpage – [www.hertfordshire.gov.uk/reportfraud](http://www.hertfordshire.gov.uk/reportfraud) includes an online reporting tool, confidential fraud hotline (0300 123 4033) and a secure email account for reporting fraud – [fraud.team@hertfordshire.gov.uk](mailto:fraud.team@hertfordshire.gov.uk) These contact details are also available via the Councils own website [Reporting Fraud](#)

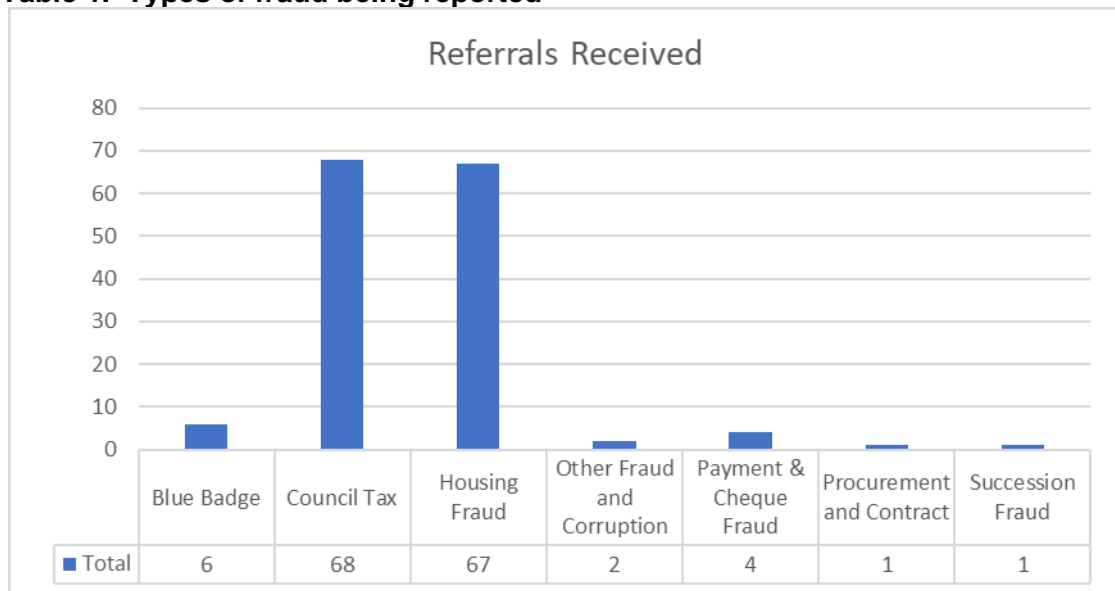
[stevenage.gov.uk](http://stevenage.gov.uk)) and on the Councils intranet for staff. None of these functions replace the Council's own Whistleblowing reporting procedures.

- Working with the Councils HR team SAFS maintains the delivery of its e-training package for staff to raise awareness of fraud, bribery, and money laundering. This training package is hosted on the Councils intranet and is available for all staff, the modules on anti-fraud/bribery/corruption are being reviewed.

### Counter Fraud Activity & Reported Fraud

- Between April and December 2023 SAFS received 149 'referrals' or allegations of fraud affecting Council services. Allegations received continue to increase slightly compared to previous years data.

**Table 1. Types of fraud being reported**



*'Council Tax'-includes Housing Benefit/Council Tax Reduction Scheme/ Single Person Discounts  
 'Succession Fraud' – relate to cases involving Council housing stock.*

- Of the 149 referrals received 79 came from members of the public and 67 from Council staff.
- SAFS carried forward 19 live cases from 2022/23. Many new cases raised for investigation are still in the early stages (25) and of 305 live cases are under investigation at the end of December the estimated fraud loss/savings for these cases exceeds £660k.
- 15 'reactive' investigations have been closed so far this year, and a further 26 low level reviews undertaken, with fraud losses/savings combined of just over £111k reported.

**'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.

18. A significant number of cases continue to be delayed where SAFS works with other agencies, in particular the Department for Work and Pension (DWP), where staff are now being redeployed to deal with an increase in fraud in the Universal Credit system.
19. A report from the Fraud Advisory Panel in 2023, Lost Homes Lost Hope, estimates that the cost of social housing fraud to local councils could exceed £42k for every property that is being illegally sub-let. SAFS response to this fraud threat is to work more closely with the Councils Housing Service as well as with registered housing providers across the County, to assist in the investigation and recovery of council properties where illegal sub-letting or 'key-selling', succession and right to buy fraud is identified.
20. 18 cases of 'tenancy fraud' are currently being investigated within the Councils boundaries with the intention that, once recovered, these properties will be made available to families from the Councils housing register, including those in temporary accommodation. Three cases of tenancy fraud have already been proven where the Council has been able to recover the property and a number of cases are awaiting possession proceedings.

#### Proactive and Prevention Activity

21. SAFS continues to provide alerts of new and emerging fraud from our network of partners including Cabinet Office, CIFAS, CIPFA, National Fraud Intelligence Bureau (NFIB), Herts Police- OWL, National Cyber Security Centre (NCSC) and NAFN.
22. SAFS continues to work nationally and regionally with other counter fraud services and to share best practice and initiatives as well as requesting support and guidance from the South-East Counter Fraud Group, London Fraud Forum (LFF), London Borough Fraud Investigators Group (LBFIG) and the Home Counties Tenancy Fraud Forum (TFF).
23. SAFS continues to work in partnership with the DWP to share data and evidence where fraud impacts on local welfare schemes, such as Council Tax Support or Housing Benefit, and national schemes, such as Income Support and Job Seekers Allowance or Universal Credit. But, as mentioned already many cases are delayed due to DWP staff still being redeployed.
24. SAFS reviews all Right to Buy and Tenancy Succession applications to prevent fraud and money laundering. Between April and December 2023 52 such reviews were undertaken with 1 RTB stopped and a number of cases referred for further investigation.
25. SAFS oversees and supports the work of the Shared Revenue Team to identify potential fraud in the business rates data. So far this year 25 discrepancies in data have been reviewed identifying 8 errors and £43k in additional business rate liability. 2 Other cases are under review at present.

26. SAFS is working with Council officers to review the outcome from the National Fraud Initiative (NFI) by providing resources and support to deal with reports/matches received in February 2023. To date of 1,788 matches, 570 high-risk matches have been reviewed, 52 discrepancies and 12 frauds identified, loss and savings in excess of £229k reported. These outcomes are outstanding and reflect a huge effort by Council officers to review matches and correct data.
27. The Council subscribes to the Hertfordshire FraudHub. This project operates using the same legal framework as main NFI exercise but allows data to be matched more frequently helping to prevent fraud or detecting it sooner. In Quarters 1-3 more than 10,000 matches have been reported of which 2,444 have been reviewed.
28. SAFS have provided a number of reports to the Councils senior management about fraud risks identified from investigations, both at the Council and other SAFS Partners, with recommendations on how the Council can better manage/mitigate these risks in future. Where recommendations relate directly to Council services we have shared our reports with Internal Audit to help inform future audit planning.

**List of Background Papers - Local Government Act 1972, Section 100D**

- (a) ***Councillors Workbook on Bribery & Fraud Prevention (LGA 2017)***
- (b) ***Fighting Fraud and Corruption Locally - A Strategy for the 2020's (CIPFA/CIFAS/LGA 2020)***
- (c) ***Tackling Fraud in the Public Sector (CIPFA 2020)***
- (d) ***Code of Practice – Managing the Risk of Fraud and Corruption (CIPFA 2014)***
- (e) ***Fighting Fraud – Breaking the Chain (Report of Session 2022-2023 House of Lords)***
- (f) ***HMG Counter Fraud Standards (Cabinet Office 2021)***
- (g) ***HMG Fraud Strategy – Stopping Scams, Protecting the Public (May 2023)***

## Appendix A – SAFS KPIs 2023/24 (SBC) – Jan 2024

	Not Started		Work Commenced		Work Ongoing		Complete or on Plan
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KPI	Objectives	Progress to Jan 2024
1	<p>Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.</p> <p>A. Meetings to take place with the Assistant Director of Finance, quarterly.</p> <p>B. Strategic Director (CFO) or deputy will attend SAFS Board meetings quarterly.</p> <p>C. Regular meetings to take place with Directors/Service Leads to agree and update local work plans.</p>	<p>A. SAFS Mgt have meetings planned throughout the year with Senior Mgrs in Finance/Housing.</p> <p>B. BM/CF are invited to attend all SAFS Board meetings in 23/24</p> <p>C. Meetings with SLT have yet to be agreed.</p>
2	<p>A. 450 Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management</p> <p>B. 3 Reports to Audit Committee.</p> <p>C. SAFS attendance at corporate governance, 'service champion' meetings, other 'enforcement' groups.</p>	<p>A. <b>264 days to end of October 59%-</b> We have provided more resource from January to assist with Housing Fraud matters.</p> <p>B. September/November 2023 meetings. March AC booked</p> <p>C. SAFS Mgt have invites to attend SBC Corporate Governance Grp each month. Meetings taking place with Hsing Mgt.</p>
3	<p>A. All urgent/ high risk cases 1 Day.</p> <p>B. All other cases 2 Days on Average.</p>	<p>A&amp;B. 1 day to respond to all referrals.</p>
4	<p>A. Membership of NAFN &amp; PNLD</p> <p>B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL alerts/trends/best practice</p> <p>C. NAFN Access/Training for relevant Council Staff</p> <p>D. 10 Training events for staff/Members in year. (To be agreed with Directors/ Service leads and HR)</p>	<p>A. SAFS has membership of PNLD which has been shared with Legal. NAFN membership in place for 23/24.</p> <p>B. SAFS/HCC member of CIPFA and CIFAS.</p> <p>C. NAFN service awareness to shared across Council service areas for relevant officers</p> <p>D. SAFS liaising with SBC HR.</p>
5	<p>A. All reported fraud (referrals) will be logged and reported to officers by type &amp; source.</p> <p>B. All cases investigated will be recorded and the financial value, including loss/recovery/savings of each will be reported to officers.</p> <p>C. 12 Social homes secured from unlawful use or sub-letting.</p> <p>D. 100% Review of all Right to Buy and 'Succession' applications.</p>	<p>A. Fraud reporting options available for staff and residents on the SBB webpage and intranet.</p> <p>B. All cases are recorded &amp; reported on SAFS CMS</p> <p><b>C. 3 Properties recovered and a number in recovery process.</b></p> <p>D. 32/20 reviews complete so far- 100% of those requested.</p>
6	<p>A. Support the output from NFI 2022/23 across all Council services.</p> <p>B. Membership of the Herts FraudHub in 2023/24.</p>	<p>A. SAFS Officers now have access to all systems and working with officers to resolve OS NFI matches. This is progressing well.</p>

		B. Contracts with C/O & SBC all in place for 23/24 and data is being uploaded. SAFS working with officers to review output.
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