



Stevenage Borough Council

Audit Committee

November 2024

Anti-Fraud Progress Report 2024/2025

Purpose

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2024/25.
2. Further reports will be provided to this Committee in 2024/25 with detailed progress with delivery of the agreed Plan and SAFS KPI performance.

Recommendations

3. Members are RECOMMENDED to:

- a) **Note the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.**

Delivery of the Anti-Fraud Plan

4. The 2024/2025 Anti-Fraud Plan was approved by this Committee at its March 2024 meeting ([Public Pack](#))[Agenda Document for Audit Committee, 26/03/2024 18:00 \(stevenage.gov.uk\)](#). This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Locally Strategy for the 2020s*. The Plan provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership.

2024/2025 Anti-Fraud Activity

Prevention

5. The Council has in place Anti-Fraud, Bribery & Corruption Policies and these are kept under constant review to ensure compliance with current best practice and the impact of any changes required by legislation.
6. SAFS provides alerts about new and emerging fraud trends through its Board members and directly with officers working in all of our Partners. These alerts come from a variety of sources including the National Anti-Fraud Network (NAFN), Credit Industry Fraud Avoidance Service (CIFAS), National Fraud Intelligence Bureau (NFIB) at the City of London Police, and others.
7. Between April and September this year SFAS issued 22 Urgent Fraud Alerts including impersonation/ push payments/ payment diversion/ false identities used in various application frauds. SAFS also provides regular Fraud Threat Reports that summarise new and emerging risks and provide officers with guidance for the identification and prevention of these. SAFS have issued three Threat reports so far this year focused on Multiple Employment fraud, 'Overpayments' linked to money laundering, and MS account take-over.
8. A training plan to build on staff awareness and fraud reporting, along with a publicity campaign to inform the public and encourage fraud reporting has been developed with officers in HR and Comms teams. Seven specialised training events (including ID fraud, BB abuse, contract/bid-rigging provided by the Competitions and Markets

Authority) have already been delivered, and we have further sessions planned for Q3 on general fraud awareness for staff. SAFS delivered a fraud awareness session for Members in September and a number of the Audit Committee attended this.

9. Across of our partners SAFS provides Executive Reports to senior management and internal audit where investigations identify that fraud or attempted fraud occurred due to system/process weaknesses, SAFS also provides recommendations for management to consider the removal/reduction/mitigation of any ongoing fraud risk. We have issued one ER for Council so far this year focused on the fraud risks associated with the use of external recruitment or temporary staff providers, all recommendations made by SAFS have been accepted and implemented.

Reactive Work

10. Between April and end of September 2024 94 allegations of fraud have been received by the Council/SAFS affecting service areas such as housing, council tax, procurement and Blue Badge abuse. SAFS currently have 70 cases under investigation, or at referral stage (39), with estimated losses of £1.3m recorded in this caseload. Fifteen investigations have been closed and fraud losses/savings in five cases totalling £107k recorded. SAFS have also conducted reviews of 13 low value council tax frauds identifying £7k of loss in council tax.
11. Two cases have been referred to the Councils legal team to consider prosecution that involve fraud that was identified in 2023/24. These are both significant cases with high losses for the Council and will take some time to resolve through the court process. In three cases of alleged council tax fraud financial penalties were applied as alternatives to prosecution.
12. As well as working with the Councils housing services SAFS continues to work with registered housing providers to investigate allegations of 'tenancy-fraud' committed against the social housing stock within the Councils boundaries. Currently four such cases are being investigated and one property has been recovered within the Councils area.
13. SAFS has received more than 40 allegations relating to the misuse of its housing stock or right to buy (RTB) applications. So far this year working closely with officers in Housing Services SAFS officers have assisted in the recovery of 2 properties that were being illegally sub-let and a number of other properties are awaiting possession for similar allegations of misuse.

Proactive Work

14. SAFS officers have reviewed 41 RTB applications and 21 Succession applications to ensure that there was no fraud or money laundering concerns with these.
15. At the time of writing SAFS and Council officers are preparing to take part in the main National Fraud Initiative (NFI) exercise for 2024/25. The Cabinet Office are providing guidance on data specification and timescales for data uploads in October with the output from this expected in January/February 2025.

16. The Council is signed up the Herts Fraudhub for the current year. The FraudHub works in a similar fashion to the main NFI exercise with data being submitted along with the other SAFS partners to help identify fraud through data-analysis/matching. In Q1 and Q2 all agreed datasets were successfully uploaded. So far the FraudHub has identified in excess of 400 records for review, SAFS and Council officers are reviewing these at present, with a small number of frauds/discrepancies already identified. A further 700+ matches relating to council tax discount will be added to Council Tax Review Framework mentioned below.
17. SAFS manages the 'Council Tax Review' framework for all borough/district councils enabling them to identify fraudulent applications for council tax discounts. The new contract has delivered by SAFS working with all district/boroughs and is now live with Stevenage Council planning to make use of the framework in 2024 through its shared Revenues and Benefit Service.
18. In June this year SAFS collaborated with Councils across Hertfordshire, Buckinghamshire and Oxfordshire to provide a campaign with civil enforcement teams to tackle the twin problem of Blue Badge theft and the misuse of borrowed or stolen badges in car parks owned by Councils. In Hertfordshire SAFS also engaged with Hertfordshire Constabulary and joint patrols, with SAFS Police and Council CEOs officers all involved, were conducted through June targeting known hotspots for Blue Badge misuse. As a result of this work we are now developing an MOU between the County Council, SAFS, contracted out CEO services, local parking enforcement teams and the police to deter and prevent the misuse of Blue Badges across the County.

SAFS Performance

19. SAFS KPIs were agreed in the Anti-Fraud Plan, progress is reported below.

SAFS KPIs - 2024/ 2025- (SBC)

KPI	Measure	Objectives	Performance to October 2024
1	Return on investment from SAFS Partnership.	<ul style="list-style-type: none"> A. Meetings to take place with the Assistant Director of Finance, quarterly. B. Strategic Director (CFO) or deputy will attend SAFS Board meetings quarterly. C. Regular meetings to take place with Directors/Service Leads to agree and update local work plans. 	<ul style="list-style-type: none"> A. Meetings take place with the Executive Director (Finance and Transformation) and other senior leaders to discuss delivery of the AF Plan. B. Executive Director (Finance and Transformation) is a member of the SAFS Board and attends its quarterly meetings. C. SAFS meet with other service leads across the Council with a focus on high risk areas.
2	Provide an investigation service.	<ul style="list-style-type: none"> A. Deliver between 90% and 110% of the 435 Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management. 	<ul style="list-style-type: none"> A. To the end of September 2024 SAFS had provided 235 days (54%) of those planned for the year.

		B. 3 Reports to Audit Committee. C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.	B. 3 reports in all will be delivered in 24/25 at the September/November/ March AC meetings. C. SAFS continues to attend CGG and JAG meetings at SBC.
3	Action on reported fraud.	A. SAFS response to all urgent/ high risk cases within 1 working day . B. All other cases 2 Days on Average.	In Q1 SAFS responded to 100% of referrals within 24 hours on average. (We are still unable to report separately on Urgent cases)
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Access to CIPFA/CIFAS/NCSC/AF/FFCL alerts/trends/best practice C. NAFN Access/Training for relevant Council Staff D. 10 Training events for staff/Members in year. (To be agreed with Directors/ Service leads and HR)	A. SBC via SAFS are subscribed to NAFN/PNLD B. All access to best practice sites are in place. C. NAFN access and training for officers is in place for 24/25 D. 7 Sessions delivered in Q1/Q2, with 3 more planned for Q3.
5	Allegations of fraud. & And outcomes from cases investigated.	A. All reported fraud (referrals) will be logged and reported to officers by type & source. B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to officers. C. 12 Social homes secured from unlawful use or sub-letting. D. 100% Review of all Right to Buy and 'Succession' applications.	A. Fraud reporting options available for staff and residents on the Council's webpage and intranet- This is linked to SAFS reporting tools. B. All cases with reports/values/outcomes recorded on SAFS CMS. C. 2 properties recovered with several pending recovery at the time of reporting. D. 100% review of all RTBs and Successions.
6	Making better use of data to prevent/identify fraud.	A. Support the output from NFI 2024/25 Council services. B. Membership and VFM from the Herts FraudHub in 2024/25.	A. The NFI data-upload is planned for October with plans to review output from January. B. The Council has a contract in place for the FHub and data is being uploaded and output under review with Council officers.

Further Reading

20. 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) **Lost Homes Lost Hope (Fraud Advisory Panel 2023)**