



Stevenage Borough Council

Audit & Governance Committee

March 2025

Purpose

1. This 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. A final report covering the whole year will be provided to this Committee in the summer with detailed activity against the Anti-Fraud Plan.

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 [SBC Anti-Fraud Plan 2024-25 - Covering Report.pdf](#) The Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Corruption 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. A full officer review took place in December 2024.
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 December 2024 SAFS issued 35 Urgent Fraud Alerts including impersonation/ push payments/ payment diversion/ false identified used in various application frauds. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with the latest guidance to assist with identification and prevention. SAFS has issued four of these reports this year focused on Multiple Employment fraud, ID fraud, 'Overpayment' 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. Twelve specialised training events had been delivered to the end of December 2024 including ID fraud, 'Blue Badge' abuse general fraud awareness for staff and contract/bid-rigging provided by the Competitions and Markets Authority. SAFS also delivered a fraud awareness session for in September 2024 for elected members.
9. Across of our partners SAFS provides Executive Reports (ER) 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 recruitment agencies all recommendations made by SAFS have been accepted and implemented.

Reactive Work

10. Between April and end of December 2024 138 allegations of fraud had been received by the Council/SAFS affecting service areas such as housing, council tax, procurement, and Blue Badge misuse. SAFS currently have 52 cases under investigation, or at referral stage (21), with estimated losses of £1.2m recorded in this caseload. SAFS have closed 31 investigations with fraud identified on 14 occasions. Fraud losses of £65k have been reported, but savings through prevention amounts to £211k. SAFS have also conducted compliance reviews of 23 low value frauds identifying £20k of additional revenue in council tax.
11. Two cases have been referred to the Councils legal team to consider prosecution. These are both significant cases with high losses for the Council and will take some time to resolve through the court process. The Council makes use of financial penalties as alternatives to prosecution where appropriate.
12. SAFS continues to work closely across the Council Housing services, working with officers to assist in the recovery of council properties that are being sub-let or misused, preventing fraudulent right to buy applications and identifying fraudulent housing applications. So far this year three properties have been secured and re-let to local residents from the Councils housing register. A number of cases are with the Councils housing and/or legal teams pending recovery at the time of writing this report.
13. 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 a number such cases are being dealt with and one property has been recovered within the Councils area.

Proactive Work

14. SAFS officers have reviewed 130 'right to buy' (RTB) applications and 35 Succession applications to ensure that there was no fraud or money laundering concerns with these. To the end of December 6 of these applications required further investigation with one right to buy being declined due to fraud or suspected money laundering. The volume of RTB applications received by the Council increased following announcements in the Autumn Budget making the scheme much less attractive financially for all social housing tenants.
15. As part of an ongoing exercise in the town centre SAFS officers are working with the Housing Team to target Council properties where data held by the Council indicates that the tenants are no longer living at the address. This work has produced some very interesting outcomes and officers are looking for ways to replicate this exercise more widely across the Borough.
16. SAFS and Council officers ensured that all data required for submission as part of the Cabinet Office 'National Fraud Initiative' (NFI) was uploaded on time and meeting the correct specification. The output from this two-yearly national exercise produced 435 general matches (further creditors and council tax reports will be released in Q4), officers from SAFS and the Council are reviewing all matches at present with the intention to clear this work by the end of Q4.
17. 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- Q3 all agreed datasets were successfully uploaded. So far the FraudHub has identified in excess of 1,200 records for review, SAFS and Council officers are reviewing these at present with small number identifying fraud and error already.
18. As part of the FraudHub activity planned for the current year SAFS worked with the Cabinet Office to develop a national pilot to assist in the identification of potential tenancy fraud using various third-party datasets. This pilot has had very limited success so far, but we are continuing to work with the Cabinet Office, and their software developer, to enhance this pilot in the second half year along with the use of additional data from the private sector.

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 December 2024
1	Return on investment from SAFS Partnership.	Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution. A. Meetings to take place with the Strategic Director (CFO) 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.	A. Meetings take place with the Strategic Director (CFO) to discuss delivery of the AF Plan. In addition ad-hoc meetings take place at the Directors request. B. Strategic Director (CFO) or deputy are both members 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.	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. B. 3 Reports to Audit Committee. C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.	A. To the end of December 2024 SAFS had provided 374 days (86%) of those planned for the year. B. 3 reports in all will be delivered in 24/25 at the September/December/ March A&G meetings. C. SAFS continues to attend CGG.
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.	For Q1-Q3 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 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 2024/25 D. 12 Sessions delivered in 2023/24 so far with one session provided to Members of the A&G Committee.
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. 5 properties recovered with several more 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 across all Council services. B. Membership of the Herts FraudHub in 2024/25 .	A. The NFI data-upload was achieved in full October with plans to review output in Q4 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

(b) ***Councillors Workbook on Bribery & Fraud Prevention*** (LGA 2017)

(c) ***Fighting Fraud and Corruption Locally- A Strategy for the 2020's***
(CIPFA/CIFAS/LGA 2020)

(d) ***Tackling Fraud in the Public Sector*** (CIPFA 2020)

(e) ***Lost Homes Lost Hope*** (Fraud Advisory Panel 2023)