



East Hertfordshire District Council
Shared Anti-Fraud Service
Report
March 2016

Recommendation

Members are recommended to:

Note the progress of the Shared Anti-Fraud Service;

Note progress against the SAFS Business Plan for 2015/2016;

Agree the SAFS/EHDC Anti-Fraud Action Plan 2016/2017;

Note the content of the TEICCAF Fraud Briefing;

Review and comment on a proposed Fraud Prosecution Policy for use from April 2016.

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Briefing for East Hertfordshire District Council
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District Council

Appendices.

1. SAFS Business Plan 2015/2016
2. Draft SAFS/EHDC Anti-Fraud Business Plan 2016/2017
3. TEICCAF Presentation
4. Draft EHDC Fraud Prosecution/Sanction Policy

1 Introduction and Background

Purpose of Report

1.1 To provide Members with information on:

- The progress made by the new Shared Anti-Fraud Service (SAFS) since its launch on 1st April 2015;
- The progress made against the SAFS Business Plan for 2015/2016
- The proposed SAFS/EHDC Anti-Fraud Action Plan for 2016/2017; and presentation of the TEICCAF *Fraud Briefing* for EHDC.
- A proposed Fraud Prosecution Policy to deal with detected fraud within the Councils services.

Background

- 1.2 According to reports from the now disbanded Audit Commission, The National Fraud Authority, The National Audit Office (NAO), and Cabinet Office, it is agreed that fraud loss across local government in England stands at around £2.2billion each year.
- 1.3 The Cabinet Office, Department for Communities and Local Government, NAO, and CIPFA have also issued guidance, advice, and best practice directives 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 in recognising their fraud risks and to invest resources in counter fraud activities that deliver savings.
- 1.4 Members received a report in September 2015 about the creation of a Shared Anti-Fraud Service (SAFS) across Hertfordshire and how this service would work closely with the Council's Internal Audit Service in a two year pilot.
- 1.5 EHDC was one of the major supporters for the SAFS Project, which was established to look at the risks of fraud once the Housing Benefit Fraud function within District Councils moved to the DWP. This new service was launched on 1 April 2015.

1.6 It is essential that to support this service 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, recovery and prosecution where fraud occurs.

2 SAFS Update

Staffing

2.1 The SAFS team is composed of nine FTE staff structured as follows

Role	Abbreviation	No. of Posts
Counter Fraud Manager	CFM	1
Counter Fraud Assistant Manager	CFAM	1
Counter Fraud Officers	CFO	5
Counter Fraud Assistants	CFA	2

2.2 It is the intention that each SAFS Partner receives dedicated support and response from the Team in a transparent way. At present the most effective way to do this is by allocating one SAFS Team Officer to each Partner. This officer will then be the first point of contact for that partner's services, and will assist in developing co-operative relationships at a service level, delivering training, and working on local pilot projects.

2.3 For EHDC, Raj Kumar is the SAFS Counter Fraud Officer (CFO) working with the Council. Raj is a fully accredited investigator with more than 20 years' experience in local government and fraud investigations.

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 and intranet both have options for the public and staff to report suspected fraud.

2.5 SAFS has its own webpage – www.hertsdirect.org/reportfraud 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.

These contact details have been added to EHDC's own website to capture all fraud reported to the Council.

- 2.6 Between April and December 2015, SAFS received over 600 allegations of fraud across all of its Partners. The details of reported fraud at EHDC are shown in the tables below.

The Types of fraud being reported:

Council Tax Discount Fraud	Council Tax Support Fraud	Housing Fraud*	Other Fraud**	Total
5	35	10	6	56

**for EHDC 'Housing Fraud' relates to housing application/ homelessness fraud*

*** This includes fraud relating to Grants, Payment, Business Rates.*

Who is reporting Fraud:

Fraud Reported by Staff	Reports from Public	Cheater Campaign	Other & Legacy Cases	Total
10	29	11	6	55

To the end of December 2015 SAFS has identified fraud losses of around £450k across all partners and savings in excess of £2million.

Pilot Projects

- 2.7 SAFS have worked with the Council's local taxation team to identify potential fraud around empty properties and unreported businesses and this has been very effective.
- 2.8 SAFS is currently working closely with the Councils Shared Parking Enforcement Team to target fraudulent misuse of Blue Badges across the Councils pay and display car-parks.
- 2.9 SAFS and EHDC were selected to be a pilot site for joint working with the Department for Work and Pensions from November 2015, EHDC is one of only six sites across England and Wales for this project. This work has progressed well with staff from SAFS and DWP working together and sharing information to assist in fraud investigations where there is a joint interest.

- 2.10 SAFS have worked with all the housing benefit teams in the District Councils across Hertfordshire as well as the County Council's care commissioning teams to deal with a highlighted risk of fraud, wherein housing benefit is paid to vulnerable tenants in 'supported accommodation'. This exercise culminated in a SAFS hosted training event held at East Hertfordshire District Council in January 2016, which was attended by 40 delegates from districts and the County Council.
- 2.11 SAFS are hosting a cyber-crime training and awareness session for all the IT Managers and their staff in March 2016. This event is free for SAFS Partners to attend.
- 2.12 SAFS are leading on the development and procurement of a county-wide data matching exercise to identify fraud in Council Tax, particularly around fraudulent discounts and exemptions, as well as business rates, empty homes, and council tax support schemes. This will be introduced in the summer of 2016 for all districts, and will be funded by HCC and all participating districts.
- 2.11 To raise the profile of SAFS and its role across Hertfordshire it is important that it maximises public exposure. A publicity campaign, using posters, leaflets, and social media was launched across Hertfordshire between October and November 2015 and supported by the Communications Teams in all SAFS Partners. The Campaign titled 'Spot the Cheat in Your Street' was a huge success, with over 60 reported matters and over 500 hits per week on the SAFS webpage in a four week period.

3 Anti-Fraud Documents

Performance against Anti-Fraud Action Plan 2015/2016

- 3.1 The Council has in place an Anti-Fraud and Corruption Policy and this is currently under review to reflect recent changes and the partnership approach of SAFS.
- 3.2 A copy of the 2015/2016 SAFS Business Plan and progress against this can be found at Appendix 1. Activity against the plan includes key dates for delivery.
- 3.3 All of the objectives set in the SAFS 2015/2016 Business Plan have been achieved, or are well on the way to delivery.

Proposed SAFS Anti-Fraud Action Plan 2016/2017

- 3.4 Due to the success of the format and delivery of the 2015/2016 the plan for 2016/2017 uses the same format with some slight changes to roles or the delivery dates. The plan is shown at Appendix 2.
- 3.5 Adherence to the proposed plan for 2016/2017 will ensure compliance with the Council's own Strategy, and the best practice issued by central government, NAO, and CIPFA.

SAFS Reports 2016/2017

- 3.6 SAFS will provide a full report to this Committee in June 2016 on the Council's anti-fraud performance and SAFS activities in 2015/2016. 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 2017 SAFS will provide a revised Anti-Fraud Business Plan for 2017/2018

4 . Fraud Briefing presented by TEICCAF

- 4.1 The European Institute for Combatting Fraud and Corruption (TEICCAF) was established in 2015 following the disbanding of the Audit Commission. TEICCAF provide support and assistance to local government across the UK, including an annual survey of fraud to which EHDC subscribed in 2015.
- 4.2 The survey conducted in 2015 has been used by TEICCAF to provide fraud briefings to those councils that submitted data, to help them benchmark against other councils and highlight areas of emerging fraud.
- 4.3 The fraud briefing is attached at Appendix 3 is for EHDC's sole use; it is not published and all the data regarding other agencies is anonymised to prevent its use by potential fraudsters.

5 . Fraud Prosecution/Sanctions Policy

- 5.1 Due to the varied types of fraud being investigated across services provided by the Council it has been necessary to create a new policy that states how offenders will be dealt with where fraud is identified.
- 5.2 The draft policy as Appendix 4 includes various options for disposal, using the appropriate legislation for each and outlining how the decision making process will be followed.
- 5.3 The Committee are asked to approve this new policy for use from April 2016, superseding any previous policies that dealt with benefit fraud prosecutions.