



## East Herts Council

### Progress with delivery of the 2023/24 Anti-Fraud Plan

### Recommendation

Members are recommended to:

Note the work of the Council and the Shared Anti-Fraud Service in delivering the **2023/24 Anti-Fraud Plan**

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- A. EHC Anti-Fraud Plan 2023/24
- B. SAFS KPI monitoring to September

## Introduction

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 are asked to note this work.
2. 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 finding ways to mitigate or manage these effectively wherever possible.
3. 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'.

## **Background**

4. East Herts Council is a founding member of the Hertfordshire Shared Anti-Fraud Service (SAFS). This Committee has previously received detailed reports about the creation of SAFS, and how this service works closely with the Shared Internal Audit Service (SIAS). SAFS works across the whole Council dealing with many aspects of fraud, from deterrence & prevention to investigation & prosecution.

## **Anti-Fraud Activity 2023/24**

### Staffing & Resources

5. In March 2023 (this Committee approved the 2023/24 Anti-Fraud Plan for the Council and KPIs for the SAFS. See **Appendix A** for details of the Plan and **Appendix B** for progress with delivery and KPI Performance.
6. 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.
7. 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, the Council has also invested further resources into SAFS to provide further anti-fraud capacity around its housing stock. 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.
8. The SAFS allocated 285 operational days exclusively for East Herts Council, 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

9. 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.
10. The Council will take part in the International Fraud Awareness Week in November 2023 with planned activity utilising social media and

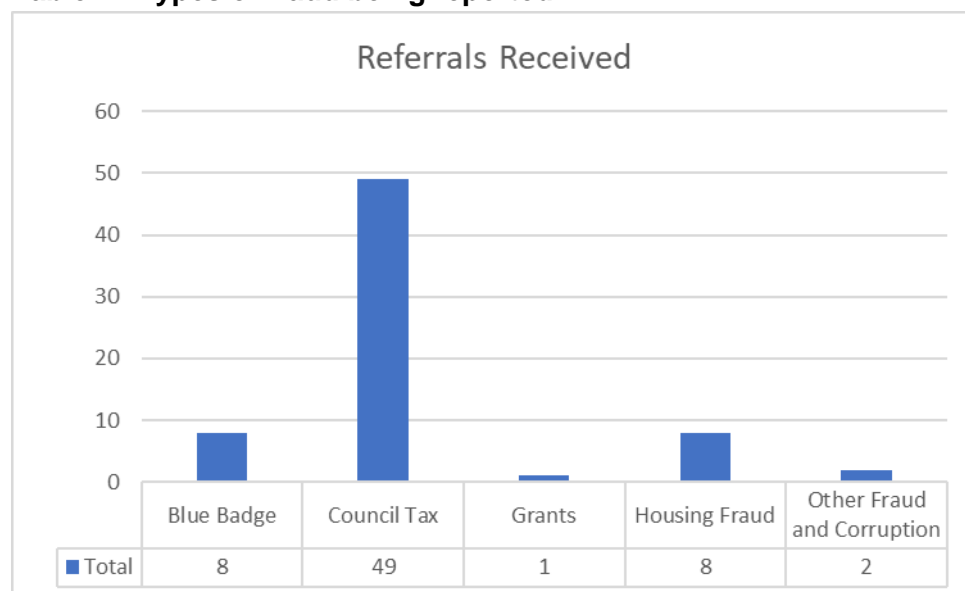
national/international resources across the whole County. Campaigns such as this encourage residents to report fraud and provide assurance that the Council takes fraud seriously and acts on those reports.

11. 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 on its Fraud and Whistleblowing pages <https://www.eastherts.gov.uk/about-east-herts-0/fraud-and-whistleblowing-policies> and on the Councils intranet for staff. None of these functions replace the Council’s own Whistleblowing reporting procedures, which this committee receives a separate report about.
12. 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 mandatory for all staff, the modules on anti-fraud/bribery/corruption will be reviewed in 2023.

### Counter Fraud Activity & Reported Fraud

13. Between April and September SAFS received 68 ‘referrals’, or allegations, of suspected fraud affecting Council services. Allegations received have increased slightly compared to the same period in 2022/23.

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



*'Council Tax'-includes Housing Benefit/Council Tax Reduction Scheme/ Single Person Discounts*

14. Of the 68 referrals received 39 came from members of the public, 27 from Council staff and 2 from other agencies.

15. SAFS carried forward 10 live cases from 2022/23, with a further 21 at referral stage. Many new cases raised for investigation are still in the early stages (19 referrals) and of 14 live cases under investigation at the end of September the estimated fraud loss/savings for these cases exceeds £319k.
16. Four 'reactive' investigations have been closed so far this year, and a further 29 low level review undertaken, with fraud losses/savings combined of just over £36k 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.**

17. SAFS Continues to work closely with senior management and the Legal Team at the County to bring prosecutions against those who commit deliberate acts of fraud or corruption against the Council.

***'Former Councillor sentenced and ordered to pay £44k costs for breaching planning laws'***

*Former East Hertfordshire District Councillor, Mr William Ashley, appeared at St Albans Crown Court on Tuesday 19 September 2023 in relation to charges brought under the Town and Country Planning Act 1990.*

*On 6 March 2023, Mr Ashley pleaded guilty to two offences of making a false statement to procure an established use certificate in relation to planning permission granted in 2011 for the construction of six residential/commercial units at Monks Green Farm, and for failing to comply with a breach of condition notice issued by the council on 4 February 2020. The matter was adjourned to 8 August 2023 at St Albans Magistrates Court where Mr Ashley appeared before District Judge Buttar and was committed to the Crown Court for sentence.*

*Mr Ashley of Monks Green Farm, Brickendon, Hertford, was sentenced to an eight-week community order and will be placed on an electronically monitored curfew to his residential address between the hours of 18:30 – 03:30 each day. Mr Ashley was also ordered to pay costs of £44,263.62.*

*In passing sentence, Recorder Buttar stated that Mr Ashley, a former director of Norths Herts Farmers for 35 years, a district and parish councillor of 28 years and a former local magistrate for 25 years, "was someone who had an exemplary reputation within the local community and had lost his good character today. He knew how the criminal justice and planning system worked. He knew what he was doing was wrong and there was an intention to commit the offences and in doing so undermined harm to public confidence when systems in place to ensure regulation of units that are used for residential and business use are not adhered to."*

*The prosecution followed an investigation by the Shared Anti-Fraud Service on behalf of the council.*

*Councillor Vicky Glover-Ward, Executive Member for Planning and Growth, said: "The conviction of Mr. Ashley sends a clear message that our community will not tolerate violations of the law, especially when it concerns the integrity of our planning processes. We are determined to uphold the highest of standards so that residents have trust in the integrity of our services."*

*Executive Member for Corporate Services at East Herts Council, Councillor Joseph Dumont, said: "East Herts Council remains steadfast in its commitment to thoroughly investigate all reports of fraud and to hold those responsible accountable for their actions. I strongly encourage anyone with concerns to get in touch with the Shared Anti-Fraud Service and report them."*

18. A large 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. SAFS staff are based at the Council offices and spend part of their time within the Housing Needs Team or Revenue and Benefits areas and this encourages staff to report suspicions of fraud directly.
21. SAFS works closely with the Councils parking enforcement team dealing with the misuse of disabled persons 'Blue Badges' in the Councils pay and display car parks across the borough.

*Proactive and Prevention Activity*

22. 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.
23. The Head of SAFS sits on the Hertfordshire Fraud and Cyber Crime Steering which is hosted by Hertfordshire Constabulary and includes stakeholders from a wide range of enforcement partners.
24. 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).

25. SAFS has worked with the 'District Revenues Manager Group' to develop a framework contract for all district councils in Hertfordshire to conduct bulk reviews of council tax discounts and exemptions, improving collection and preventing fraud. This service is funded by the County Council, with the district councils undertaking the work with selected contractors. The Council is signed up as part of the Framework and will make use of this service in 2023/24.
26. 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 may cases are delayed due to DWP staff still being redeployed.
27. 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 741 matches, 199 high priority matches have been reviewed and 10 are still subject to investigation. From the reviews conducted, 17 discrepancies and 1 fraud have been identified loss and savings of £39k.
28. 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&2 more than 3,800 matches have been reported of which around 10% have been reviewed so far, 42 cases are being investigated at present and to date 24 discrepancies have identified savings through prevention in excess of £47k.
29. 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 SIAS to help inform future audit planning.



**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) Code of Practice – Managing the Risk of Fraud and Corruption (CIPFA 2014)*
- (f) Fighting Fraud- Breaking the Chain. (Report of Session 2022-2023 House of Lords)*
- (g) HMG Counter Fraud Standards (Cabinet Office 2021)*
- (h) HMG Fraud Strategy – Stopping Scams, Protecting the Public (May 2023)*

**Appendices**

**Appendix 1** - SAFS/East Herts Council Anti-Fraud Plan 2023/24

**Appendix 2** - SAFS KPI monitoring 2023/24