East Herts Council

Audit & Governance Committee

September 2024

Anti-Fraud Progress Report 2024/2025

Purpose

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) 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 (SAFS) 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 January2024 meeting [Agenda for Audit and Governance Committee on Tuesday 30th January, 2024, 7.00 pm - East Herts District Council](#). This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Corruption Locally- A Strategy for the 2020s*. The Plan also provides assurance that the council continues to benefit from its investment in the SAFS Partnership.

2024/2025 Anti-Fraud Activity

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 provided alerts or new and emerging fraud trends through its Board members and directly with officers working in 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 August this year SFAS issued 20 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 three of these reports this year focused on Multiple Employment fraud, ID fraud, 'Overpayment' linked to money laundering, and MS account take-over.

8. Training plans to build on staff awareness about fraud risks affecting the Council, along with a publicity campaign to inform the public and encourage fraud reporting, are being developed with officers in HR and Comms teams. Service specific training has been delivered in four face-to-face sessions for the Parking Enforcement and Revenues & Benefits teams and sessions on ID fraud are planned for Housing Services, along with training to be delivered by the

Competitions and Markets Authority on bid-rigging later in the year for Council officers involved in contract management. SAFS have several sessions have been planned with a number of officers about the changes the National Fraud Initiative for 24/25.

9.   Between April and end of July 2024, a further 34 allegations of fraud have been received by the Council/SAFS including Housing, Council Tax and Blue Badge abuse. SAFS currently have 33 cases under investigation, or at referral stage (17), with estimated losses of £364k. Three investigations have been closed and fraud losses/savings identified in two cases. From cases closed and those still under investigation £204k in fraud loss/prevention has been reported. SAFS have also conducted 18 reviews of low value alleged Council tax frauds, the outcomes of which are included in the values above.

10.   Working with colleagues at the DWP SAFS officers are preparing a number of cases for prosecution that involve housing benefit and council tax fraud that was identified in 2023/24. These significant cases with high losses for the Council and will take some time to resolve through the court process.

11.   SAFS and officers across the Council are preparing for 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 2025.

12.   The Council is signed up the Herts Fraudhub for 24/25. The FraudHub works in a similar fashion to the main NFI exercise with data being submitted along with the other 7 SAFS partners to help identify fraud through data-analysis. In Q1 all agreed datasets were successfully uploaded and some data is already submitted for Q2. So far this has identified just under records for review, SAFS and Council officers are reviewing these at present, with a small number of frauds/discrepancies already identified. A further 1,809 matches were identified in the Council Tax date but these may be resolved through the council tax review process – see s.14 below.

13.   SAFS continues to work with registered housing providers to investigate allegations of 'tenancy-fraud' committed against the social housing stock within the Councils boundaries. A number of these cases are being investigated by SAFS within East Herts at present and one property has been recovered and re-let to a family from the Councils Housing Register.

14.   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, the Council Tax Manager is considering whether to make use of the framework in 2024 following its positive outcomes in 2023.

15.   Another area of proactive work for the Council to detect fraud and error is the AnalyseLocal Project. This system, funded by the County Council, and provided by third party specialists identifies businesses claiming exemptions or discounts on their business rates they are not entitled to. Work on this project is still in development for 2024/25, but we anticipate that, as in 2023/24, this will deliver significant additional revenue for the Council.

16. In June this year SAFS collaborated with Councils across Hertfordshire, Buckinghamshire and Oxfordshire to provide a campaign with local civil enforcement teams to tackle the twin problem of Blue Badge theft and the misuse of borrowed or stolen badges in carparks 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.

17. SAFS KPIs were agreed in the Anti-Fraud Pan and progress against them is reported in the table below.

SAFS KPIs - 2024/ 2025- (EHC)

KPI	Measure	Objectives	Performance to August 2024
1	Return on investment from SAFS Partnership.	A. Meetings to take place with the Councils **Head of Strategic Finance and Property** at least quarterly. B. **Head of Strategic Finance and Property** sits on the SAFS Board that meets quarterly. C. Regular meetings to take place with Service Leads to agree and update local work plans.	A. Meetings are scheduled to take place with the **Head of Strategic Finance and Property** B. **Head of Strategic Finance and Property** is a SAFS Board Member and attends its quarterly meetings. C. SAFS meet with other service leads across the Council as and when required with a focus on the highest risk areas.
2	Provide an investigation service.	A. **Target to deliver 90%-110% of the funded 267 Days** of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management (Supported by SAFS Intel/Management). B. **3 Reports** to Audit & Governance Committee. C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.	A. To the end of July 2024 SAFS had provided **101 days** (38%) of those planned for the year. B. SAFS will be delivering reports to the Councils Audit & Governance Committee in the summer, autumn of 2024 and March 2025. C. SAFS has identified service champions in R&B, HR and Housing.
3	Action on reported fraud.	A. All **urgent/ high risk** cases will be responded to within **24 hours**. B. All other cases **2 Days**, on Average.	A. We still unable to separate urgent cases from others in our CMS. B. All referrals (including urgent/high risk) were actioned within 24 hours on average for EHC.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice C. NAFN Access/Training for relevant Council Staff D. **5 Training sessions** for staff/Members in year. (To be agreed with HR)	A. SAFS has membership of PNLD and NAFN via SAFS. B. SAFS (HCC) is a member of CIFAS. C. NAFN service awareness is part of the training plan for 24/25 D. 4 Sessions delivered in Q1, 3 more planned for Q2.
5	Allegations of fraud received. &	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.	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.

	Success rates for cases investigated.	C. SAFS will work with social providers across the Borough.	C. SAFS is working with housing providers through separate contracts.
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 2025. B. The Council has a contract in place for the FHub and data is being uploaded, and output from this under review currently.

Further Reading

18.   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 2020s** (CIPFA/CIFAS/LGA 2020)*
> *(c) **Tackling Fraud in the Public Sector** (CIPFA 2020)*