East Herts Council

Audit & Governance Committee

February 2025

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. A final report covering the whole year will be provided to this Committee in the summer with detailed activity against the Anti-Fraud Plan, outcomes, all savings and fraud identified.

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 December this year 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. 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 seven face-to-face sessions for the Parking Enforcement and Revenues & Benefits teams and sessions on ID fraud were

provided to Housing Services. SAFS hosted training delivered by the Competitions and Markets Authority on bid-rigging in October for Council officers involved in contract management. SAFS delivered a short session on Fraud Threats for Local Councils to Members in May 2024.

9. Between April and end of December 2024 77 allegations of fraud have been received by the Council/SAFS including Housing, Council Tax and Blue Badge abuse. SAFS currently have 26 cases under investigation, or at referral stage (12), with estimated losses of £334k. Nine fraud investigations have been closed and fraud losses/savings identified in six cases. From cases closed and those still under investigation £317k in fraud loss has been reported and further £89k of fraud prevented. These figures are much higher than normally identified at the Council and this is due in part to two cases involving housing benefit fraud that occurred over an extended period of time. We are working with the DWP to consider criminal proceedings against the individuals involved in these cases.

10. SAFS have also conducted 37 reviews of lower value Council tax fraud and error matters. This work has so far identified a further £87k of fraud loss for recovery, again this includes an element of housing benefit as well as council tax. The Council issued 5 civil penalties to council tax-payers where their failure led to the debts arising.

11. 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 222 Matches for East Herts Council and officers from SAFS and the Council are reviewing these at present with the intention to clear this work by the end of Q4.

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 SAFS partners to help identify fraud through data-analysis. In Q1- Q3 all agreed datasets were successfully uploaded for the Council, with more than 2,200 matches identified for some intervention. However, due to resource limitations across service areas only the most urgent matters were prioritised for review.

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 as previously reported 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 across Hertfordshire enabling those councils to identify fraudulent applications for council tax discounts. This work is provided by third party specialists, and funded in full by the County Council.

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.

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

SAFS KPIs - 2024/ 2025- (EHC)

KPI	Measure	Objectives	Performance to December 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 December 2024 SAFS had provided **212 days** (79%) 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.** 7 Sessions delivered in Q1- Q3 more planned for Q4.
5	Allegations of fraud received. & Success rates for 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.** SAFS will work with social providers across the Borough.	**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.** 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 took place as planned in October and the review output is under review in Q4. **B.** The Council has a contract in place for the FHub and data is being uploaded

Further Reading

17. 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)*