

TITLE OF REPORT: PROGRESS REPORT ON THE HERTFORDSHIRE SHARED ANTI-FRAUD SERVICE

REPORT OF THE HEAD OF REVENUES, BENEFITS & INFORMATION TECHNOLOGY
EXECUTIVE MEMBER: COUNCILLOR T.W. HONE

1. SUMMARY

1.1. To provide Members with:

- The progress made by the new Shared Anti-Fraud Service (SAFS) since its launch on 1 April 2015
- Progress on a proposed shared Fraud Strategy
- Proposed County wide SAFS publicity campaign
- Proposed format of future quarterly reports

2. RECOMMENDATIONS

2.1. That Committee note the progress in delivering the new Shared Anti-Fraud Service and the contribution made by NHDC officers to support this.

3. REASONS FOR RECOMMENDATIONS

3.1. To keep Members advised on the progress of the new Anti-Fraud Service.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1. This is a report for information only.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

5.1. There has been no consultation required for this report.

6. FORWARD PLAN

6.1. This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

7. BACKGROUND

7.1. North Hertfordshire District Council was one of the major sponsors for the Shared Anti-Fraud Service (SAFS) Project which was established to look at the risks and investigate fraud once the Housing Benefit Fraud function was removed from Local Authorities to the Single Fraud Investigation Service (SFIS) under the Department for Works & Pensions (DWP).

7.2. The SAFS Business plan concluded that the District Councils in Hertfordshire were at significant risk of non-benefit fraud post transfer as the staff, and funding for them, would transfer to the DWP, leaving Districts exposed. Areas of fraud highlighted included Council Tax Discount, Blue Badge misuse, Business Rates, and Housing. The Business Plan recommended that a Shared Anti-Fraud Team across Hertfordshire Councils would deliver a resilient anti-fraud function for all partners.

- 7.3. In April 2015 North Hertfordshire Council, along with Hertsmeire Council, East Herts Council, Stevenage Borough Council, Broxbourne Council and Hertfordshire County Council signed an agreement to pilot a Shared Anti-Fraud Service based at the Council Council's offices in Stevenage, working as part of HCC's Assurance Service.
- 7.4. In May 2015 North Hertfordshire District Council's Housing Benefit Fraud function transferred to the DWP, and since then the anti-fraud function for North Hertfordshire has been provided by SAFS.

8. ISSUES

Staffing

- 8.1. The SAFS team is composed of nine FTE staff (it will also receive support from the HCC Head of Assurance (SIAS Partnership lead), a Business Support Manager and a Data Analyst) and is structured as follows:

Role	No. of Posts
Counter Fraud Manager	1
Counter Fraud Assistant Manager	1
Counter Fraud Officers	5
Counter Fraud Assistants	2

- 8.2. Recruitment commenced in December 2014 with the Manager being appointed in March 2015, and the last team member joining SAFS in June 2015.
- 8.3. It is the intention that each SAFS Partner receives the 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 a co-operative relationship with responsibility for building relationships at a service level, delivering training and working on local pilot projects.

Fraud/SAFS Awareness

- 8.4. 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. All SAFS members have been asked to update their fraud reporting procedures, both internally and externally. Work has progressed very well with North Hertfordshire District Council to develop reporting lines and relationships with services including Benefits, Revenues and Housing Needs.
- 8.5. SAFS has its own webpage – www.hertsdirect.org/reportfraud which has an online reporting tool. A hotline has been operational since 1st April (0300 123 4033) along with a shared secure email for reporting fraud – fraud.team@hertscc.gcsx.gov.uk. These contact details have been added to the Council's own website to capture all fraud reported to the Council.
- 8.6. In June 2015 SAFS was officially launched at an event in Stevenage attended by Senior Officers and Members from the SAFS Partners including those from this Council.

- 8.7. Since April SAFS has received the referrals in the table below. These need to be treated with some care at present as there has been a mixed transfer to SFIS and we have yet to meet with many of the service leads within each LA to raise awareness of fraud reporting to SAFS.

SAFS Partner	Hotline	Webpage	Partner	Other
Stevenage	1	2	8	0
Hertsmere	1	1	3	1
East Herts	2	7	0	1
North Herts	1	6	13	4
HCC	1	3	13	15
Broxbourne	0	3	30	0
Other	7	1	1	1
Total	13	23	68	22

- 8.8 SAFS management has made a decision to support pilot projects within the partners and this will be built into future business plans for SAFS. The intention of pilots is to evaluate whether there is a business need for the work and if so how this can be delivered to those Partners who would benefit from it.

Shared Fraud Strategy

- 8.9 At the SAFS Project Team meeting on 1st April 2015 it was agreed that a shared Anti-Fraud Strategy would be developed for all partners to review and adopt. This Strategy would indicate the high level of intention of the SAFS Partners and lay the foundation for further policies to be designed and adopted across the County.
- 8.10 A draft Strategy for this purpose was presented to the SAFS Board on 18th June 2015 and is awaiting approval from all partners. The document will meet each Partner's requirements to have in place a Fraud Strategy and can be reviewed annually to ensure that it is fit for purpose and publicised effectively.

Countywide Fraud Awareness Campaign

- 8.11 To raise the profile of SAFS and its role across Hertfordshire it is important that it receives maximum public exposure. This could be delivered through a simple visual campaign using various media but using a single recognisable message.
- 8.12 A media campaign was presented to the SAFS Board on 18 June 2015 for review and comment, and is now being consulted on with respective executive Members. If agreed this campaign will be rolled out from October 2015 across the whole county

Proposed Format of Future Reports

- 8.13 It is proposed that reports to the Finance, Audit & Risk Committee will include the following data relevant to North Hertfordshire District Council:
- Number of reported frauds;
 - Fraud Types;

- Number of cases selected for investigation and reasons for those cases rejected;
- Outcomes of all cases where an investigation has been concluded;
- Result of cases where fraud/error established including financial values;
- Number of cases where a fine/penalty/caution/prosecution has resulted;
- Number of cases where Council staff have been investigated and the details/outcomes of these;
- Number of cases where social housing has been recovered and the value of these;
- Details of a high value/risk/profile cases that are ongoing; and
- Specific activity and pilot projects in the Councils geographic area, including updates on these as they progress.

8.14 In line with the partnership agreement, reports to the Finance, Audit & Risk Committee will be presented on a twice-yearly basis; firstly with a report on the previous year's activity, and secondly with a Service Plan for the following year.

9. LEGAL IMPLICATIONS

9.1. SAFS has been formally constituted through a Partnership Agreement, which requires twice-yearly reports to each Partner Council's relevant Committee.

10. FINANCIAL IMPLICATIONS

10.1. There are no financial implications to this report.

11 RISK IMPLICATIONS

11.1 There are no risk implications to this report. There are however, risk register entries on Covalent relating to this new partnership arrangement as well as the types of fraud that the Council may be subject to.

12 EQUALITIES IMPLICATIONS

12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.

12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.3 The best possible prevention of fraud enables each authority to ensure that those most in need for financial and other support receive their full entitlement, whilst also making sure that those who seek to abuse such systems are discovered and public money duly returned.

13. SOCIAL VALUE IMPLICATIONS

13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

14. HUMAN RESOURCE IMPLICATIONS

14.1 There are no Human Resource implications to this report.

15. APPENDICES

15.1 None.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1
- Audit Commissions 'Protecting the Public Purse 2014'.
 - The European Institute for Combatting Corruption and Fraud 'Protecting the English Public Purse 2015'.
 - CIPFA 2015 'Code of practice on managing the risk of fraud and corruption'.
 - Fighting Fraud Locally Board 2012. 'Fighting Fraud Locally Strategy'.