



## Hertfordshire Shared Anti-Fraud Service Business Plan 2015/2016

It is important that the activities and aims of the Hertfordshire Shared Anti-Fraud Service (SAFS) deliver a service which is cost effective, efficient, targeted and that SAFS focuses effort on awareness, prevention and deterrence as much as investigation, prosecution and recovery.

The Strategic Aims of the SAFS Project Board in 2014 were laid out as follows:

- Ensure ongoing effectiveness and resilience of anti-fraud arrangements when the impact of the Single Fraud Investigation Service (SFIS) takes effect
- Deliver financial benefits in terms of cost savings or increased revenue
- Create a data hub for Hertfordshire
- Improve the reach into the areas of non-benefit and corporate fraud within the county
- Develop services which can be marketed to external bodies
- Create a recognised centre of excellence that is able to disseminate alerts and share best practice nationally

This Business Plan sets targets, objectives and work areas for SAFS in 2015/2016 will ensure that the SAFS Partners have in place a robust counter fraud provision following the transfer of benefit investigation staff and welfare fraud work to the DWP in 2015 and will begin work towards the long term Strategic Aims and ensure that these become the Business as Usual standards for SAFS.



NORTH HERTFORDSHIRE  
DISTRICT COUNCIL





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## The National Context.

The Audit Commissions 2014 report '*Protecting the Public Purse*' included a summary of statements from its findings.

- The scale of fraud against local government is large, but difficult to quantify with precision. In 2013, the National Fraud Authority estimated that fraud cost local government £2.1 billion, but this is probably an underestimate.
- In total, local government bodies detected fewer cases of fraud in 2013/14 compared with the previous year. However, the value of fraud increased to over £188 million.
- In the past 5 years, councils have shifted their focus from benefit fraud to non-benefit fraud. From 2016, they will no longer deal with benefit fraud. Councils will need to focus on the non-benefit frauds that present the highest risk of losses, including those that arise from the unintended consequences of national policies.
- Local government bodies have a duty to protect the public purse. A corporate approach to tackling fraud helps them to be effective stewards of scarce public resources and involves a number of core components.

The Chartered Institute for Public Finance and Accountancy (CIPFA) in its 2015 publication '*Code of practice on managing the risk of fraud and corruption*' highlights five principles outlining public bodies responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management

The five key principles of the code are to:

- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop an appropriate counter fraud and corruption strategy
- provide resources to implement the strategy
- take action in response to fraud and corruption.

The Fighting Fraud Locally Strategy (2012 and 2015) highlights the three key areas for councils to consider when dealing with fraud- **Acknowledge, Prevent and Pursue**, the Strategic Aims of SAFS and this Business Plan reflect these fully.





## SAFS Objectives/Activities for 2015/2016

The objectives set for SAFS in 2015/2016 reflect the requirement to build a new service, set up new processes and systems, to develop key working relationships and partnerships and to move towards achieving the aspirations of the SAFS Business Case.

The objectives clearly reflect the guidance and advice from the Audit Commission, CIPFA and the Fighting Fraud Locally Board. It also includes the needs of the SAFS Partners as identified at the SAFS launch in June 2015.

SAFS Team objectives	Activity	Target Date/Value/Measure	Fighting Fraud Locally Measure
<p><b>Ensure ongoing effectiveness and resilience of anti-fraud arrangements when the impact of the Single Fraud Investigation Service (SFIS) takes effect</b></p>	<ol style="list-style-type: none"> <li>1. Recruit and induct SAFS Team.</li> <li>2. Develop and deliver a new publicity campaign to launch the SAFS Team and its role to, Partners, staff and public. Publicity to include new: Webpages/intranet/hotline/posters/press.</li> <li>3. Review cost of service to SAFS Partners and structure for future funding to ensure that Partners recognise the value of a fraud function through a set agreed principles.</li> <li>4. Update and launch a Hertfordshire Counter Fraud Strategy, Counter Fraud Policy, Fraud Prosecution Policy and Money Laundering Policies.</li> <li>5. Deliver targeted fraud awareness, prevention training and workshops to Schools, Housing, Finance, Council Tax Support, Social Fund, Direct Payment, Procurement and Human Resources staff.</li> <li>6. Ensure that all SAFS staff are fully trained for the roles they are undertaking. This may differ, dependant on task, but should be flexible to allow</li> </ol>	<ol style="list-style-type: none"> <li>1. By September 2015</li> <li>2. By October 2015</li> <li>3. By March 2016</li> <li>4. By March 2016</li> <li>5. Each Partner had 5 sessions across services by March 2016</li> <li>6. All staff recruited to be trained or working towards completion of training by March 2016</li> </ol>	<p style="text-align: center;"><b>Acknowledge</b></p>



SAFS Team objectives	Activity	Target Date/Value/Measure	Fighting Fraud Locally Measure
	<p>staff to develop and provide generic investigation options for the Partners. This will provide the Partners with a team able to deploy resilient anti-fraud skills across all services.</p> <p>7. To work in a supportive role within the HCC Assurance Service in particular with SIAS to assist in delivery of improved Audit Plans to Partners.</p>	<p>7. Working with SIAS Audit teams in both proactive and reactive exercises.</p>	
<p><b>Deliver financial benefits in terms of cost savings or increased revenue</b></p>	<ol style="list-style-type: none"> <li>1. Deliver Case Management System that records all financial information for Partners.</li> <li>2. Recover social housing stock that is being sub-let or used in some other way in contravention of the tenancy or unlawfully.</li> <li>3. Identify financial savings to ensure that the costs of the team are met in full from its activities and investigations. Record full value of all fraud identified to an agreed, auditable and recognised standard.</li> <li>4. Maximise civil recovery cases working closely with Partners Legal/Recovery Services to utilise civil recovery and other forms of legal sanction to recover properties and unlawful subletting profits and for other cases where the use of POCA may not be appropriate.</li> <li>5. Work closely with Revenues Teams to administer and recover penalties as an alternative to prosecution for offences relating to the Council Tax Reduction Scheme.</li> </ol>	<ol style="list-style-type: none"> <li>1. INCASE operational by September 2015</li> <li>2. 6 properties recovered by March 2016.</li> <li>3. INCASE to be set up to record and report on financial costs of cases. September 2015</li> <li>4. Establish and maintain relationships with all Partners Legal Teams and POCA experts across HCC and externally.</li> <li>5. Have in place process, guidance and forms for penalties to be issued. September 2015</li> </ol>	<p><b>Pursue</b></p>



SAFS Team objectives	Activity	Target Date/Value/Measure	Fighting Fraud Locally Measure
<p><b>Create a data hub for Hertfordshire</b></p>	<ol style="list-style-type: none"> <li>1. Implement a Data Warehouse at HCC to receive and match data from across Partner Services.</li> <li>2. Create Information Sharing Procedures including PIA/EIA to allow for lawful exchange of data across Partners.</li> <li>3. Develop further proactive anti-fraud exercises by implementing data matching and data mining tools to interrogate Partner data.</li> <li>4. Oversee and assist the delivery of the National Fraud Initiative 2015 across all Partners.</li> </ol>	<ol style="list-style-type: none"> <li>1. Procure and have in place IDIS October 2015.</li> <li>2. Sign off ISA with Partners. November 2015</li> <li>3. NFI ID-checker. November 2015</li> <li>4. Review HCC NFI Matches(chargeable) September 2015. Put in place process of future NFI across all Partners March 2016</li> </ol>	<p><b>Prevent</b></p>
<p><b>Improve the reach into the areas of non-benefit and corporate fraud within the county.</b></p>	<ol style="list-style-type: none"> <li>1. Develop relationships with the police to allow reciprocal exchange of information including Council access to PNC/ VODS/ Local Intel.</li> <li>2. Develop relationships with DWP, where legislation permits, to conduct joint investigations where national benefits are being claimed fraudulently alongside Partner services/awards/payments.</li> <li>3. Develop relationships with Registered Housing Providers across the County to provide assistance with tenancy fraud. Such activity to benefit the Partners either through payment for services or access to accommodation. Put in place clear processes and communication channels for referring and tackling fraud with priority fraud risk areas.</li> <li>4. Work with the Partners and HCC Customer Service Team to develop a 24 hour fraud referral hotline (separating out HB and national benefit matter and</li> </ol>	<ol style="list-style-type: none"> <li>1. Have in Place access to PNC Bureau. And arrangements to work positively with police</li> <li>2. Liaise with local FES and DWP National Information Centre. By July2015</li> <li>3. Arrange meetings with Housing Providers to raise awareness of SAFS and encourage membership.</li> <li>4. By July 2015</li> </ol>	<p><b>Prevent</b></p>



SAFS Team objectives	Activity	Target Date/Value/Measure	Fighting Fraud Locally Measure
	referring these to the DWP/HMRC). 5. Develop relationships with HCC's Trading Standards Team to utilise their knowledge and skills in POCA. 6. Develop relationships with the Partners Community Safety Teams to increase access to information about potential fraud and raise awareness of fraud risks.	5. By July 2015  6. By October 2015	
<b>Develop services which can be marketed to external bodies</b>	1. Work with Housing Providers to offer Tenancy Fraud Function either at a daily rate or with an annual subscription 2. Work with non-SAFS Councils in Hertfordshire whether offering services, expertise or knowledge. 3. Positively promote SAFS to local government and other potential customers within and outside Hertfordshire.	1. By March 2016  2. By October 2016 3. By March 2016	<b>Acknowledge</b>
<b>Create a recognised centre of excellence that is able to disseminate alerts and share best practice nationally.</b>	1. Publicise prosecutions, sanctions, recovery. 2. Promote and publicise the costs of fraud to local residents and encourage all to report fraud across the Partners. 3. Produce Fraud Risk Assessments for SAFS Partners. 4. Undertake national peer reviews. 5. Offer advice and training to other organisations. 6. Offer to work in partnership across government and with the private and voluntary sectors. 7. Subscribe national organisations and events to raise the profile of SAFS.	1. Press Release. By March 2016 2. Cheetah/Cheater Campaign. October 2015  3. March 2016 4. ? 5. March 2016- Who? 6. March 2016- with DWP  7. NAFN, CIPFA, LAIOG membership and events.	<b>Acknowledge</b>





## **SAFS Resources**

### **Budget**

For 2015/2016 SAFS has the advantage for funding from CLG (£366,000) to meet many of its set up costs including project management, case management, IT hardware and licenses. The agreed funding from the SAFS partners was originally agreed at £60,000 per partner as a fixed fee with further £20,000 per partner as a flexible fee delivering an annual income to SAFS of £480,000. However, this contributory figure is under review as the budgeted cost (SAFS Business Case 2014) for the service was £602,000 in 2015/2016 rising to £631,000 per annum thereafter. Actual budget based on salaries of staff now in post is anticipated to be in the region of £565,000 and this still leaves a deficit of £85,000 to be met once CLG funding ends in 2015/2016.

The review of budgets and charging will include a set of agreed principles for SAFS Partners to adopt. It is also likely during 2015/2016 that additional income streams to SAFS can be identified as well as potential new partners and this may help to alleviate future shortfalls in SAFS income against budgeted costs.

### **Staffing**

The full complement of SAFS posts have now been filled with 9 FTE's in post; 1 Manager, 1 Assistant Manager, 5 Investigators and 2 Intelligence Officers. All the investigators are fully trained and accredited but both Intelligence Officers require training and accreditation and this is ongoing and will be met from the CLG funding.

The SAFS Team is also supported by 1 FTE Data-Analyst and ½ FTE Business Support. Both these posts (£49,000) are funded through the SAFS Budget.



## SAFS KPI and Team Targets 2015/2016

SAFS target for 2015/2016 reflect that it is a new service. Future years will focus more on the service provision to individual Partners.

KPI	Measure	2015/2016 Target	Quarterly Target	Notes
1	Create an Investigation Service	Recruit Team, put in place reporting/recording methods, policies and procedures	By Sep 2015	<b>Ensure ongoing effectiveness and resilience of anti-fraud arrangements when the impact of the Single Fraud Investigation Service (SFIS) takes effect.</b>
2	Identified Value of Fraud. (from Business Case)	£601k	£150k	<b>Deliver financial benefits in terms of cost savings or increased revenue.</b>
3	Allegations of fraud Received	400 non-HB referrals	100	<b>Improve the reach into the areas of non-benefit and corporate fraud within the county.</b>
4	Success rates on outcomes	50%	50%	<b>Create a recognised centre of excellence able to disseminate alerts and share best practice nationally.</b>
5	Create Data-Hub and Conduct Data-Matching	Hub built with ISA and data populating it	By March 2016	<b>Create a data hub for Hertfordshire.</b>
6	Identify new areas of business	Add one new funding Partner to SAFS	By March 2016	<b>Develop services which can be marketed to external bodies</b>



## **SAFS- Standards of Service.**

SAFS will provide all partners with the following fraud prevention and investigation services as part of the contracted anti-fraud function.

1. Access to a managed fraud hotline and webpage for public reporting.
2. Process and document for SAFS Partner staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, ID Fraud Prevention.
4. Assistance in the design of Partners policies processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates to be adopted by Partners.
6. SAFS will provide a proactive data-matching solution (data-warehouse) to identify fraud and prevent fraud occurring.
  - The data-warehouse will be funded by SAFS and located in accordance with DPA requirements.
  - The data-warehouse will be secure and accessible only by named SAFS Staff. Data will be collected and loaded in a secure manner.
  - SAFS will design and maintain a data-sharing protocol for SAFS Partners to review and agree to as they choose. The protocol will clearly outline security provisions and include a PIA.
  - SAFS will work with nominated officers in the SAFS Partners to access data-sets to load to load into the data-warehouse and determine the frequency of these.
  - SAFS will work with Partners to determine the most appropriate data-matching for each of them and the frequency of such data-matching.
7. All SAFS Staff will be qualified, fully trained and/or accredited to undertake their duties lawfully, or be working towards such qualifications.
8. All SAFS investigations will comply with legislation including DPA, PACE, CPIA, HRA, RIPA\* and all policies of the SAFS Partner.



9. Reactive fraud investigations.
  - All reported fraud will be actioned by SAFS within 5 days.
  - Partners will be informed of all reported fraud and how SAFS are going to deal with this.
  - SAFS will allocate an officer to each investigation.
  - SAFS officers will liaise with nominated officers in each Partner to access data/systems/accommodation required to undertake their investigations.
  - SAFS Officers will provide updates on cases and a report with summary of facts and supporting evidence on conclusion of the investigation for the Partner to review and make any decisions.
  - Where a decision indicates an offence SAFS Officers will draft a report for the nominated officers of the Partner to make a decision on any further sanctions/prosecutions.
10. Where sanctions, penalties or prosecutions are sought SAFS will work with each Partner to determine the appropriate disposal based on the Code for Crown Prosecutors and that Partners published policies. Decisions on imposition of any sanction will lay with the Partner but the issue of any penalty will be resolved locally on a case by case basis.
11. SAFS will provide reports through the SAFS Board on progress and the SAFS Partners Audit Committees on individual activity in that Partner. Additional reports can be provided on request.
12. SAFS will provide Alerts to Partners of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.

*\*Data Protection Act, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act.*