



North 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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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. North 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 North 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 Council's stance on fraud and corruption.
10. The Council took 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

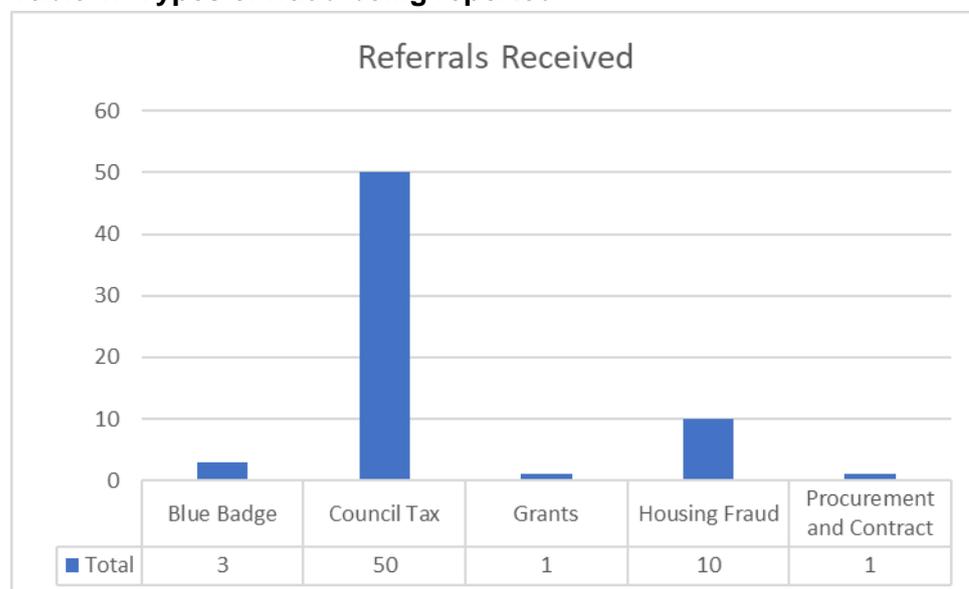
residents to report fraud and provide assurance that the Council takes fraud seriously and acts on those reports.

11. The SAFS webpage – www.hertfordshire.gov.uk/reportfraud includes an online reporting tool, confidential fraud hotline (0300 123 4033) and a secure email account for reporting fraud – fraud.team@hertfordshire.gov.uk These contact details are also available via the Councils own website on its Fraud and Whistleblowing pages <https://www.north-herts.gov.uk/report-fraud> and on the Councils intranet for staff. None of these functions replace the Council’s Whistleblowing reporting procedures.
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 and elected Members, the modules on anti-fraud/bribery/corruption are being reviewed in 2023/24.

Counter Fraud Activity & Reported Fraud

13. Between April and September SAFS received 65 ‘referrals’, or allegations, of suspected fraud affecting Council services. Allegations received are similar to the same period in 2022/23 and comparable to other District Councils across Hertfordshire in the volume and types of alleged fraud being reported.

Table 1. Types of fraud being reported



'Council Tax'-includes linked Housing Benefit as well as Council Tax Reduction Scheme & various discounts.

14. Of the 65 referrals received 25 came from members of the public, 39 from Council staff and 1 from proactive work.

15. SAFS carried forward 13 live cases from 2022/23, with a further 23 at referral stage. Many new cases raised for investigation are still in the early stages (21 referrals) and of 16 live cases under investigation at the end of September the estimated fraud loss/savings for these cases exceeds £318k.
16. Six 'reactive' full investigations have been closed so far this year with all 6 identifying fraud of some nature, a further 28 low level reviews have been undertaken, with fraud losses/savings combined of just over £42k 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 the Councils legal team and legal services at the Council to bring prosecutions against those who commit deliberate acts of fraud or corruption against the Council.

Grant Fraud Investigation

Christopher ANDOH-WILSON appeared at Stevenage Magistrates court on Friday 3rd November 2023 in relation to allegations under the Fraud Act 2006 and Proceeds of Crime Act 2002.

Mr ANDOH-WILSON pleaded guilty to 5 offences under the Fraud Act 2006 and 1 offence under The Proceeds of Crime Act 2002 and was released on unconditional bail to appear at St Albans Crown Court on 24th November 2023 for sentencing in relation to those offences.

The allegations relate to Mr Andoh-Wilson's employment for Letchworth Garden Centre Business Improvement (BID) when he was employed in the capacity as the Town Centre Manager.

This followed an investigation by the Shared Anti-Fraud Service on behalf of North Hertfordshire District Council.

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, including Settle Homes, 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 continue to work most closely with officers within the Housing Needs and Benefit & Revenue teams as these remain the areas of highest risk, by volume/likelihood, for the Council.

Proactive and Prevention Activity

21. 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.
22. 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.
23. 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).
24. 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.
25. 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.
26. Council officers and SAFS are working together to review the outcomes from the National Fraud Initiative (NFI) by providing resources and support to deal with reports/matches received in February 2023. To date of 659 matches, 533 have been reviewed and a small number are still subject to investigation. From the reviews conducted, 17 discrepancies have been identified loss and savings in excess of £69k reported.
27. 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 3,000 matches have been reported of which 261 have been reviewed and 31 cases are being investigated at present. To date 4 discrepancies have identified savings through prevention in excess of £17k.

28. SAFS have provided a number of reports to the Council's 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, this has included this year:

- Polygamous Workers
- Procurement Fraud (in review)
- Covid (NHC) Grants Process
- Specific (NHC) Recruitment Risks
- Homes for Ukraine- 2022 Review.
- Threat Report-June 2023- Insider Threat.
- Threat Report September 2023- Deep Fakes Tech.

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/NHC Anti-Fraud Plan 2023/24

Appendix 2 - SAFS KPI monitoring 2023/24