



North Herts Council

Finance Audit & Risk Committee

**Progress with delivering
the
2023/24 Anti-Fraud Plan**

Purpose

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 is asked to note this work.

Recommendation

2. **The Committee is RECOMMENDED to;**
 - I. **note the progress made by the Shared Anti-Fraud Service on delivering the 2023/2024 Anti-Fraud Plan.**

Background

3. North Herts Council is a founding member of the Shared Anti-Fraud Service (SAFS). This Committee has received detailed reports previously 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.
4. 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.
5. 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'.

Report

Anti-Fraud Activity 2023/24

Staffing & Resources

6. In March 2023 this Committee approved the 2023/24 Anti-Fraud Plan for the Council and KPIs for the SAFS. See [Agenda for Finance, Audit and Risk Committee on Wednesday, 8th March, 2023, 7.30 pm | North Herts Council \(north-herts.gov.uk\)](#) for details of the Plan and **Appendix A** for progress with delivery and KPI Performance.
7. 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.
8. 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. 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.
9. The SAFS allocated 285 operational days exclusively for the Council in 2023/24, 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

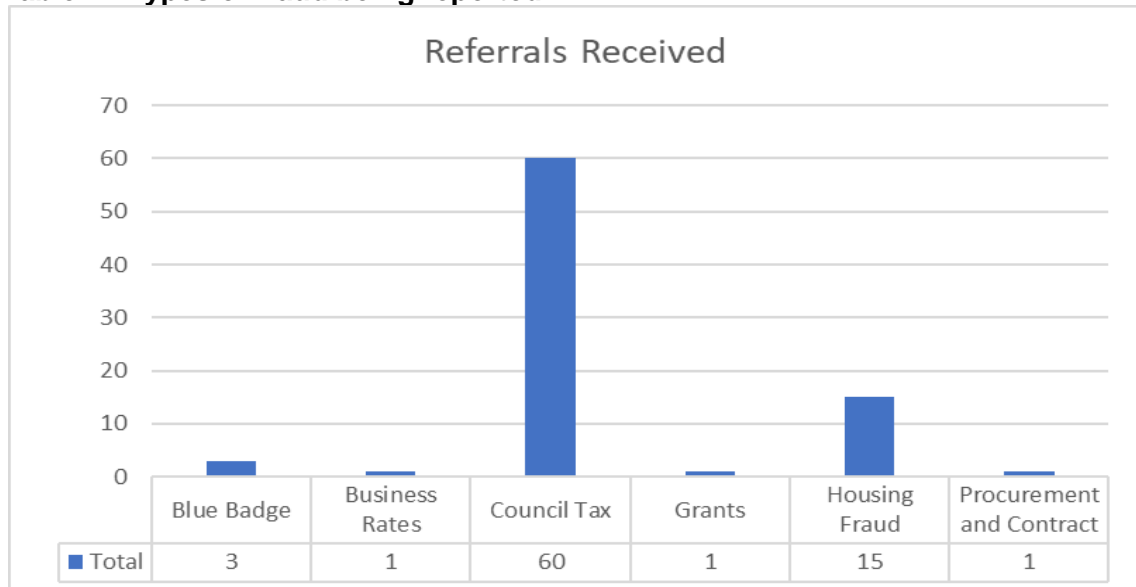
10. A key objective for the Council is to develop the existing anti-fraud culture; ensuring senior managers and members consider the risk of fraud when developing policies or processes; helping to prevent fraud occurring; deterring potential fraud through external communication; encouraging all officers to report fraud where it is suspected; and providing public confidence in the Councils stance on fraud and corruption.
11. The Council took part in the International Fraud Awareness Week in November 2023 with planned activity utilising social media and national/international resources. Campaigns such as this encourage residents to report fraud and provide assurance that the Council takes fraud seriously and acts on those reports.
12. 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 <https://www.north-herts.gov.uk/report-fraud> and on the Councils intranet for staff. None of these functions replace the Council's own Whistleblowing reporting procedures.
13. 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 available for all staff, the modules on anti-fraud/bribery/corruption is being reviewed at present.

Counter Fraud Activity & Reported Fraud

14. Between April and December 2023 SAFS received 81 ‘referrals’ or allegations of fraud affecting Council services. Allegations received in 2023/24 have remained consistent with previous years both in volume and ‘type’.

Table 1. Types of fraud being reported



'Council Tax'-includes Housing Benefit/Council Tax Reduction Scheme/ Single Person Discounts

15. Of the 81 referrals received 40 came from members of the public and 39 from Council staff. The two other referrals came from proactive work.
16. SAFS carried forward 13 live cases from 2022/23, with a further 23 at referral stage. A number of new cases raised for investigation are still in the early stages (17) and of 13 cases were under investigation at the end of December the estimated fraud loss/savings for these cases exceeds £242k.
17. 10 ‘reactive’ investigations have been closed so far this year, and a further 33 low level reviews 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.

18. A 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, to assist in the investigation and recovery of properties where illegal sub-letting or 'key-selling', succession and right to buy fraud is identified.

20. Several cases of 'tenancy fraud' are currently being investigated within the Councils boundaries with the intention that, once recovered, these properties will be made available to families from the Councils housing register, including those in temporary accommodation. One case of tenancy fraud have already been proven for Settle Housing and the property was recovered and allocated to a family from the Councils Housing Register .
21. SAFS concluded its investigation and prosecution, conducted by Hertfordshire County Council, of a person who had defrauded the Councils Covid Grant schemes of £60,000. The individual concerned was sentenced to 20 months imprisonment and SAFS are now seeking recovery of the loss via proceeds of crime legislation. [Ex-Letchworth BID manager Chris Wilson jailed for fraud | The Comet](#)

Proactive and Prevention Activity

22. SAFS provides 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.
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 officers 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 many cases are delayed due to DWP staff still being redeployed.
25. SAFS is working with Council officers to review the outcome from the National Fraud Initiative (NFI) by providing resources and support to deal with reports/matches received in February 2023. To date of 667 matches, 545 have been reviewed, 17 discrepancies identified, and loss/savings in excess of £69k reported. These outcomes are outstanding and reflect a huge effort by SAFS and Council officers to review matches and correct data.
26. 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 1-3 2,661 matches have been reported of which 261 high risk cases have been reviewed, identifying r savings of £17k.
27. SAFS have provided a number of reports to the Councils 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 Internal Audit to help inform future audit planning.

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 2020's (CIPFA/CIFAS/LGA 2020)***
- (c) *Tackling Fraud in the Public Sector (CIPFA 2020)***
- (d) *Code of Practice – Managing the Risk of Fraud and Corruption (CIPFA 2014)***
- (e) *Fighting Fraud – Breaking the Chain (Report of Session 2022-2023 House of Lords)***
- (f) *HMG Counter Fraud Standards (Cabinet Office 2021)***
- (g) *HMG Fraud Strategy – Stopping Scams, Protecting the Public (May 2023)***
- (h) *Lost Homes, Lost Hope. (FAP April 2023)***

Appendices

Appendix A – SAFS KPI Performance NHC 2023/24- Q3.