



North Herts Council

Finance Audit & Risk Committee

November 2024

## **Anti-Fraud Progress Report 2024/2025**

## **Purpose**

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service 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. Further reports will be provided to this Committee in 2024/25 with detailed progress with delivery of the agreed Plan and SAFS KPI performance.

## **Recommendations**

3. **Members are RECOMMENDED to:**
  - a) **Note the progress by officers and the Shared Anti-Fraud Service 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 March 2024 meeting ([Public Pack](#))[Agenda Document for Finance, Audit and Risk Committee, 13/03/2024 19:30 \(north-herts.gov.uk\)](#). This Plan covers all areas recommended by CIPFA, the NAO and the *Fighting Fraud and Corruption Locally Strategy for the 2020s*, and provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership.

## **2024/2025 Anti-Fraud Activity**

### **Prevention**

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 provides alerts about new and emerging fraud trends through its Board members and directly with officers working in all of 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 September this year SAFS issued 22 fraud alerts including information about push payments/ payment diversion/ false identities used in application fraud. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with guidance for the identification and prevention of these. SAFS have issued three Threat Reports so far this year focused on Multiple Employment fraud, 'Overpayments' linked to money laundering, and MS account take-over.
8. Across all partners SAFS provides Executive Reports to senior management and internal audit where investigations identify that fraud or attempted fraud occurred due to system/process weaknesses, SAFS also provides recommendations for management to consider the removal/reduction/mitigation of any ongoing fraud

risk. We have not issued any ERs for NHDC this year- we have, however, shared generic learning from ERs issue to other SAFS partners with senior management.

9. A training plan to build on staff awareness and fraud reporting, along with a publicity campaign to inform the public and encourage fraud reporting has been developed with officers in the HR and communications teams. Seven specialised training events (including ID fraud, BB abuse, contract/bid-rigging provided by the Competitions and Markets Authority) have already been delivered, and we have further sessions planned for Q3 on general fraud awareness for staff. SAFS delivered a general fraud awareness session for Members in September.

## **Reactive Work**

10. Between April and end of September 2024 56 allegations of fraud have been received by the Council/SAFS affecting service areas such as housing, council tax, procurement and parking services. SAFS currently have 37 cases under investigation, or at referral stage (18), with estimated losses of £242k recorded in this caseload. Seven investigations have been closed and fraud losses/savings in two cases totalling £20k recorded. SAFS have also conducted reviews of 19 low value council tax frauds identifying just over £10k of loss in council tax.
11. One case has been referred to the Councils legal team to consider prosecution that involved a fraud that was identified in 2023/24. This is a significant matter and will take some time to resolve through the court process. In another case a 'cease and desist' notice was issued to a person as an alternative to criminal proceedings and they were also banned from the Councils Housing Register.
12. SAFS continues to work with registered housing providers to investigate allegations of 'tenancy-fraud' committed against the social housing stock within the Councils boundaries. This type of fraud impacts on the Council directly by denying families on the Housing Register access to properties and each incident could be costing the Council upto £36k on average for the cost of temporary accommodation. Six such cases are being investigated for Settle Housing and one property has already been recovered within the Councils area this year.

## **Proactive Work**

13. At the time of writing SAFS and Council officers are preparing to take part in the main National Fraud Initiative (NFI) exercise for 2024/25. The Cabinet Office have provided guidance on data specification and timescales for data uploads in October with the output from this expected in January/February 2025.
14. The Council is signed up the Herts Fraudhub for the current year. The FraudHub works in a similar fashion to the main NFI exercise with data being submitted along with the other SAFS partners to help identify fraud through data-analysis/matching. In Q1 and Q2 all agreed datasets were successfully uploaded. So far the FraudHub has identified in excess of 800 records for review, SAFS and Council officers are reviewing these at present, with a small number of frauds/discrepancies already identified. A further 1,200+ matches relating to council tax discount will be added to Council Tax Review Framework mentioned below.

15. SAFS manages the ‘Council Tax Review’ framework for all borough/district councils enabling them to identify fraudulent applications for council tax discounts. The new contract has delivered by SAFS working with all district/boroughs and is now live with North Herts Council planning to make use of the framework in 2024.
16. In June this year SAFS collaborated with Councils across Hertfordshire, Buckinghamshire and Oxfordshire to provide a campaign with civil enforcement teams to tackle the twin problem of Blue Badge theft and the misuse of borrowed or stolen badges in car parks owned by Councils. SAFS engaged with Hertfordshire Constabulary and joint patrols, with SAFS Police and the Councils civil enforcement officers all involved, were conducted through June targeting known hotspots for Blue Badge misuse. As a result of this work we are now developing an MOU between the County Council, SAFS, contracted out CEO services, local parking enforcement teams and the police to deter and prevent the misuse of Blue Badges across the County.

### SAFS Performance

17. SAFS KPIs were agreed in the Anti-Fraud Plan, progress is reported below.

#### SAFS KPIs - 2024/ 2025- (NHC)

KPI	Measure	Objectives	Performance to October 2024
1	Return on investment from SAFS Partnership.	<p>A. Meetings to take place with the Councils <b>Service Director-Resources</b> and <b>Service Director-Customers</b>.</p> <p>B. <b>Service Director-Resources</b> will sit on the SAFS Board that meets quarterly.</p> <p>C. Regular meetings to take place with Service Leads to agree and update local work plans.</p>	<p>A. Meetings are scheduled with the <b>Service Director-Resources</b> and <b>Service Director-Customers</b>.</p> <p>B. <b>Service Director-Resources</b> is a SAFS Board Member and attends quarterly meetings.</p> <p>C. SAFS meet with other service leads across the Council as and when required with a focus on the highest risk areas.</p>
2	Provide an investigation service.	<p>A. <b>Target to deliver 90%-110% of the funded 267 Days</b> of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management (Supported by SAFS Intel/Management).</p> <p>B. <b>3 Reports</b> to Finance Audit and Risk Committee.</p> <p>C. SAFS attendance at corporate governance, ‘service champion’ meetings, local management team meetings.</p>	<p>A. To the end of September 2024 SAFS had provided <b>156 days</b> (59%) of those planned for the year.</p> <p>B. SAFS will be delivering reports to the Councils FAR Committee in the summer, autumn of 2024 and Spring 2025.</p> <p>C. SAFS has identified service champions in R&amp;B, HR and Housing, and attend the Councils Corporate Enforcement Forum.</p>
3	Action on reported fraud.	<p>A. All <b>urgent/ high risk</b> cases will be responded to within <b>24 hours</b>.</p> <p>B. All other cases <b>2 Days</b>, on Average.</p>	<p>A. <b>We are still unable to separate urgent cases from others in our CMS.</b></p> <p>B. <b>All referrals</b> (including urgent/high risk) were actioned within 24 hours on average.</p>
4	Added value of SAFS membership.	<p>A. Membership of NAFN &amp; PNLD</p> <p>B. Access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice</p> <p>C. NAFN Access/Training for relevant Council Staff</p>	<p>A. SAFS has membership of PNLD and NAFN via SAFS.</p> <p>B. SAFS (HCC) is a member of CIFAS.</p> <p>C. NAFN service awareness is part of the training plan for 24/25</p>

		D. <b>5 Training sessions</b> for staff/Members in year. (To be agreed with Service leads and HR)	D. 7 Sessions delivered in Q1/Q2, and we have more planned for Q3.
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 <b>NFI 2024/25</b> Council services. B. Membership and VFM from the <b>Herts FraudHub</b> in 2024/25.	A. The NFI data-upload is planned for October with plans to review output from January 2025. B. The Council has a contract in place for the FHub and data is being uploaded and output under review currently.

## Further Reading

18. 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)**