



North Herts Council

Finance Audit & Risk Committee

March 2025

Anti-Fraud Progress Report 2024/2025

Purpose

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) 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. A final report covering the whole year will be provided to this Committee in the summer with detailed activity against the Anti-Fraud Plan.

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 provided alerts on new and emerging fraud trends through its Board members and directly with officers working in 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 December this year SAFS issued 35 Urgent Fraud Alerts including impersonation/ push payments/ payment diversion/ false identified used in various application frauds. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with the latest guidance to assist with identification and prevention. SAFS has issued four of these reports this year focused on Multiple Employment fraud, ID fraud, 'Overpayment' 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 been delivered. SAFS also provided a general fraud awareness and the impact of fraud on local government session for Members in September 2024.
10. In November 2024 the Council, through the SAFS Partnership, supported International Anti-Fraud Week.

Reactive Work

11. Between April and end of December 2024 87 allegations of fraud have been received by the Council/SAFS including Housing, Council Tax and Blue Badge abuse. SAFS currently have 33 cases under investigation, or at referral stage (16), with estimated losses of £357k. 11 fraud investigations have been closed and fraud losses/savings identified in 5 cases. From cases closed and those still under investigation £13k in fraud loss has been reported and further £21k of fraud prevented.
12. SAFS have also conducted 27 reviews of lower value Council tax fraud and error matters. This work has so far identified a further £20k of fraud loss for recovery. The Council issued 5 civil penalties to council tax-payers where their failure led to the debts arising. The Council has issued one Cease and Desist notice via SAFS for repeat offending.
13. Two cases involving housing application fraud have been referred to the Councils legal team for review where it appears that people registering for housing through the Council have provided false information and been housed as a result of fraudulent statements.
14. 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. Eight cases have been investigated for Settle Housing and two properties recovered this year and re-let to families from the Councils Housing Register.

Proactive Work

15. SAFS and Council officers ensured that all data required for submission as part of the Cabinet Office 'National Fraud Initiative' (NFI) was uploaded on time and meeting the correct specification. The output from this two-yearly national exercise produced 342 Matches for North Herts Council and officers from SAFS and the Council are reviewing these at present with the intention to clear this work by the end of Q4.

16. 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- Q3 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- around £17k in fraud has been prevented. A further 1,200+ matches relating to council tax discount may be added to Council Tax Review Framework mentioned below.
17. SAFS manages the 'Council Tax Review' Framework for all borough/district councils across Hertfordshire enabling those councils to identify fraudulent applications for council tax discounts. This work is provided by third party specialists, and funded in full by the County Council.
18. Another area of proactive work for the Council is the AnalyseLocal Project. This project is funded by the County Council and is provided by third party specialists, the system identifies businesses claiming exemptions or discounts on business rates they are not entitled to. Council officers are currently reviewing this opportunity for use in Q4.
19. Council officers are currently supporting a central government project reviewing the initial Covid Business Grant schemes administered by local councils in 2020. This work will be analysed as part of the national exercise to identify any potential fraud in those systems which will then be investigated by the Government.

SAFS Performance

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

SAFS KPIs - 2024/ 2025- (NHC)

KPI	Measure	Objectives	Performance to December 2024
1	Return on investment from SAFS Partnership.	<p>A. Meetings to take place with the Councils Service Director-Resources and Service Director-Customers.</p> <p>B. Service Director-Resources 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 Service Director-Resources and Service Director-Customers.</p> <p>B. Service Director-Resources 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. Target to deliver 90%-110% of the funded 267 Days 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. 3 Reports to Finance Audit and Risk Committee.</p>	<p>A. To the end of September 2024 SAFS had provided 229 days (86%) 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>

		C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.	C. SAFS has identified service champions in R&B, HR and Housing, and attend the Councils Corporate Enforcement Forum.
3	Action on reported fraud.	A. All urgent/ high risk cases will be responded to within 24 hours . B. All other cases 2 Days , on Average.	A. We are still unable to separate urgent cases from others in our CMS. B. All referrals (including urgent/high risk) were actioned within 24 hours on average.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice C. NAFN Access/Training for relevant Council Staff D. 5 Training sessions for staff/Members in year. (To be agreed with Service leads and HR)	A. SAFS has membership of PNLD and NAFN via SAFS. B. SAFS (HCC) is a member of CIFAS. C. NAFN service awareness is part of the training plan for 24/25 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 NFI 2024/25 Council services. B. Membership and VFM from the Herts FraudHub in 2024/25.	A. The NFI data-upload took place in October and we are now working with officers to clear the output from this. B. The Council has a contract in place for the FHub and data is being uploaded and output under review.

Further Reading

21. 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)***