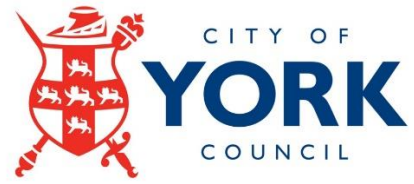


COUNTER FRAUD PROGRESS REPORT

Date: 8 November 2023





BACKGROUND

- 1 Fraud is a significant risk to the public sector. The government estimated that between £33.2 and £58.8 billion of public spending was lost to fraud in 2020/21¹. Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the council which aims to prevent, detect and deter fraud and related criminality. The counter fraud team investigate allegations of fraud, plan and take part in counter fraud campaigns (eg the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the council's counter fraud framework and associated policies.
- 3 The purpose of this report is to update the Committee on counter fraud activity in 2023/24.



FRAUD MANAGEMENT

- 4 A key objective for the counter fraud team is to raise awareness of fraud risks amongst council employees. In October 2023 the counter fraud team worked with the communications team to highlight the danger of cybercrime as part of cybersecurity awareness month. Employees were advised to:
 - set strong passwords
 - be aware of data breaches
 - log out of remote systems when not in use
 - familiarise themselves with tips on how to spot suspicious emails.

This campaign follows a similar exercise to raise awareness of whistleblowing in June. Bespoke counter fraud training has also been provided to the business rates, benefits, and customer service teams in 2023/24.

- 5 The team is supporting the council to develop a fraud management plan for the Home Upgrade Grant scheme. The Department for Energy Security and Net Zero is releasing funding to local authorities to provide energy efficiency upgrades and low carbon heating for homes that meet the eligibility criteria, eg low income households. The fraud management plan seeks to ensure that there are suitable checks and balances to help ensure that the scheme is not subject to fraud.



MULTI-AGENCY WORK

- 6 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The results of the 2022/23 datamatching exercise (7500 data matches) are currently being reviewed by the counter

¹ [Tackling fraud and corruption against Government](#), National Audit Office

fraud team and other services across the council. To date over 6000 matches have been reviewed with £88k of fraud and error identified.

- 7 The council are required to respond to requests for information from the Department for Work and Pensions (DWP) who investigate Housing Benefit fraud. In cases where council tax support is in payment, the counter fraud team can jointly investigate with DWP counterparts. The team have responded to 23 requests for information to date this year.

INVESTIGATIVE WORK

- 8 In 2023/24, the counter fraud team has received 179 reports of suspected fraud. These cover areas including adult social care, social housing, council tax, council tax support, internal fraud, parking, and business rates.
- 9 Up to 15 October 2023, the counter fraud team helped the council to make £149k in savings following investigation work. The team has completed 68 investigations and there are currently 64 ongoing. One person has been successfully prosecuted. Two internal fraud investigations have been completed. Eighteen people have been issued with formal warnings about their conduct. Nine residential parking permits have been removed from owners of holiday lets. In addition, the team has helped the council verify 35 Right to Buy applications, resulting in one application being blocked.
- 10 A summary of investigative work can be found in appendix A, below.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2023/24

The table below shows the success rate of investigations and levels of savings achieved through counter fraud work in 2023/24.

	2023/24 (As at 15/10/23)	2023/24 (Target: Full Yr)	2022/23 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - eg repayment of loss) identified through fraud investigation	£148,942	£200,000	£263,715
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	59%	30%	50%

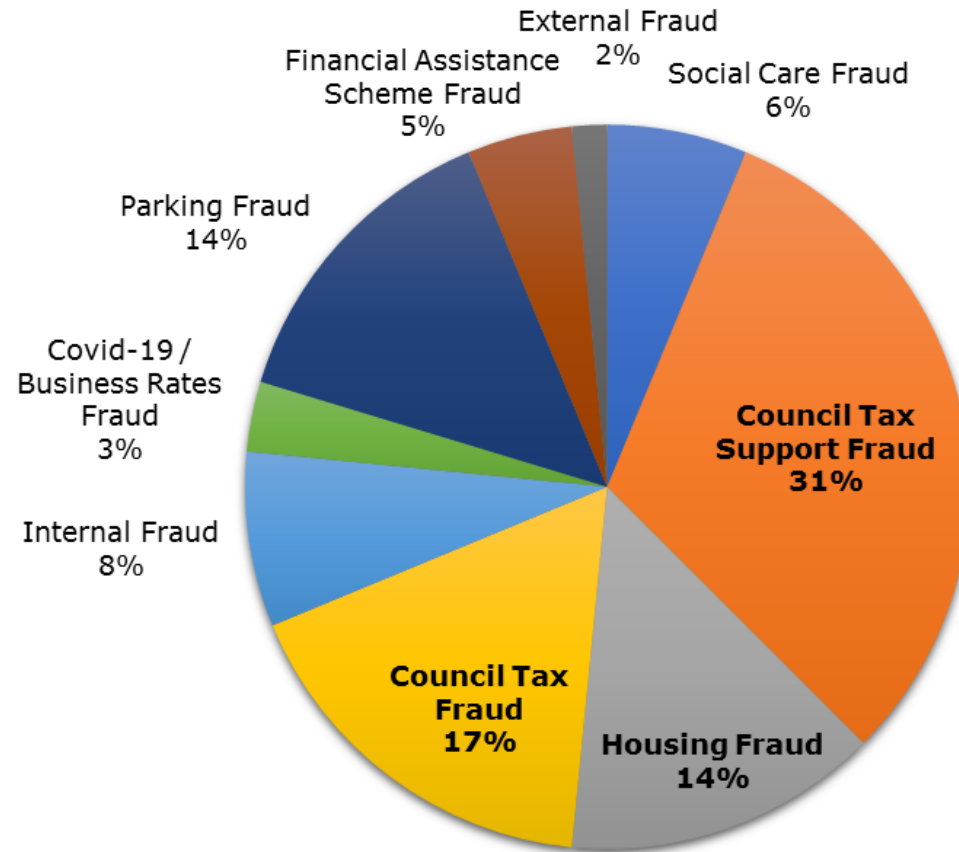
Caseload figures for the period are:

	2023/24 (As at 15/10/23)	2022/23 (Full Year)
Referrals received	179	319
Number of cases under investigation	64	85 ²
Number of investigations completed	68	146
Number of verifications completed ³	35	54

² As at the end of the financial year (ie 31/03/2023)

³ Verification cases are reviews of applications for Right to Buy and school placements.

The chart below shows the proportion of different case types under investigation as at 15 October 2023.



Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"> • Adult Social Care fraud – The team has completed two investigations in this area and four are ongoing. Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position. Investigative work has assisted the council to recover £85k to date. • Housing fraud – There are nine investigations ongoing in this area. The majority of cases relate to sub-letting and abandonment of council properties, but the team also investigates false applications for Right to Buy and Homelessness. Eight investigations have been completed to date. • Internal fraud investigations – Two internal fraud investigations have been completed. There are five ongoing. • External (or third party) fraud – Fraud in this area relates to financial scams perpetrated against the council, eg mandate fraud or cybercrime. There are two ongoing investigations. • Council Tax Support fraud – Seventeen council tax support (CTS) investigations have been completed and there are 20 cases under investigation. Fraud in this area can occur when claimants provide false information when they apply, or fail to declare changes to their circumstances, relating to income or capital. Six CTS claimants have received formal warnings in 2023/24. Work in this area has resulted in £27k of savings for the council. • Council Tax fraud – Council Tax fraud often involves households falsely claiming single person discount, however other types of discounts can also be abused. Nine investigations have been completed this year and eleven are ongoing. • Parking fraud – Parking fraud usually relates to blue badge abuse however, there have been a rising number of investigations of misuse of residential parking permits by owners of holiday lets. Twenty-one investigations have been completed – eleven relating to blue badges and ten to parking permits. One person has been successfully prosecuted and five others have received formal warnings for the misuse of blue badges. Nine holiday let owners have had their residential permits removed, five of whom were issued with formal warnings.