

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Annual Review of Fraud Investigation Activity

Meeting/Date: Corporate Governance Committee- 12th July 2023

Executive Portfolio: Executive Councillor for Finance and Resources Services

Report by: Corporate Fraud Manager

Ward(s) affected: All

Executive Summary:

The Council's Anti-Fraud and Corruption Strategy sets out a requirement that a report shall be submitted on an annual basis to the Corporate Governance Committee detailing the work that has been undertaken by the Corporate Fraud Team (CFT).

During 2022/23 the CFT:

- The CFT assisted in the delivery of the Energy Bill Rebate Scheme by verifying and checking bank account information and enabling payments to residents which have totalled more than £9.2 million paid to 61,700 households.
- The CFM (Corporate Fraud Manager) has been running a team to deal with the latest Energy Bill Support Scheme Alternative Funding and Alternative Fuel Payment for residents in the district. The total amount paid out over these schemes is £242,000.
- Have commenced work on the bi-annual National Fraud Initiative (NFI) which highlighted 36 reports with 353 matches this has currently identified savings of £12,975.27 .
- Commenced NFI 801 report looking at matches between the Single Person Discount and electoral register which has identified 3086 matches. Currently, we have identified savings of £67,337.29
- Investigated and assisted with the recovery of nine Housing Association Properties.

Recommendation:

The Corporate Governance Committee is invited to comment on the contents of this report, which details the work that has been undertaken by the Corporate Fraud Team during 2022/2023.

1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's CFT in 2022/2023.

2. BACKGROUND

The CFT plays a key role in ensuring that the Council meets its requirements under the Anti-Fraud and Corruption Strategy (AFCS) 2018-2021 (currently under review by Audit) by providing a comprehensive fraud service across the whole of the Council. The AFCS sets out the requirement for the Corporate Leadership Team to approve an annual business plan that sets out the priorities for the team. The priorities are based on the level of risk facing specific service areas within HDC and the AFCS.

- 2.1 The team consists of a manager, an investigation officer and an intelligence / data analyst officer.
- 2.2. The CFT's main priorities again this year have involved the Energy Bill Rebate Scheme through which each household received £150 directly into their bank account where these details could be verified. Where Council taxpayers did not pay by direct debit, the CFT were involved in the checking and verification of these accounts once Council taxpayers provided their account details through a secure online form. With each grant there has been guidance requiring checks to be carried out prior to payment to address the potential of fraud. The CFT also returned to business-as-usual activities (BAU) for a short time, but as a result of an accident a member of the team has been off long-term sick for circa five months. The Corporate Fraud Manager was assigned to the Project Team for the Energy Bill Support Schemes and ran the team processing these types of applications.

3. ANALYSIS/WORK UNDERTAKEN

- 3.1 Table indicating grant scheme impact.

Grant Scheme	Number	Total Value
Energy Bill Rebate Scheme	61,700 households	£ 9.2m
NFI bi-annual report	353	£ 12,975.27
SPD matches so far identified	3086	£ 67,337.29
Ct Penalties issued	6	£ 420.00
Social Housing Properties recovered	9	£ 378,000.00

- 3.2 Administering this year's grant schemes has again proved challenging due to the high numbers involved, the delay in Energy Bill Support Scheme (EBSS) guidance and IT issues with the government software used for application processing. Guidance and timescales are individual to each scheme. This has involved additional work which resulted in the formation of the Project Team, recruitment of additional external staff. A collaborative piece of work between a number of departments has also occurred.

- 3.3 The CFT undertook a variety of checks using tools available from the Cabinet office (Spotlight). This enabled the team to verify council taxpayers bank account information including account owner and registration at the liable address, in alignment with Energy Rebate Scheme guidance.
- 3.4 The work capacity of the CFT has been impacted by a member of staff requiring long-term sick leave. This led to a gap in experience and qualifications. As a result, certain areas of the investigation process have not been undertaken or cases have been held until the member of staff returned. No other resources were available.
- 3.5 The bi-annual National Fraud Initiative 22/23 was released end-January 2023. The CFT allocated one member of staff to the work, which resulted in 23 of 36 reports being closed down, with the remaining reports awaiting responses from other departments or matched contacts.
- 3.6 Despite the resource issue and period of long-term sick, the CFT have continued to engage with local housing providers in investigations into Tenancy Fraud related matters and assisted in the recovery of nine properties. The CFT have a wealth of knowledge and experience and also have additional powers that can assist housing providers in obtaining the necessary evidence to prove a tenant is living elsewhere and recover properties. Illegal tenants can have a dramatic impact on the communities they live in, with anti-social behaviour, noise and drug dealing. The CFT have dealt with a recent case in one of the villages in the North of the district where the tenant had vacated and was living elsewhere with his partner but his son who was in his mid-twenties remained living in the address and dealing drugs from the premises. The son was quite aggressive and many of the elderly neighbours said they were frightened of going anywhere near the address. With the assistance of the CFT visits were conducted, the police notified, and evidence gathered to prove the tenant was not resident. The consequent police raid found a large amount of cash and drugs recovered from the property. The occupier was arrested and removed. Elderly residents can now feel safe in their community, and this was a positive outcome as a result of our working and involvement with the housing provider and police.
- 3.7 The Council Tax Single Person discount matches from the NFI have shown positive results and the CFT will continue its efforts in this area along with other work. The NFI 2022 report stated that between 2020 and 2022 £44.7 million pounds of fraud was reported across the UK.
- 3.8 The CFT continue to engage with other social housing providers in the district to set up similar investigation agreements to tackle potential tenancy fraud issues within their housing stock and create better outcomes for our residents and communities.
- 3.9 The CFT acts as the Single Point of Contact (SPOC) providing the DWP with information regarding housing benefit claims. DWP investigators have ceased their secondment duties and are now back in their main roles. The CFT saw an increase in communication and Local Authority Information Exchange Forms being received with the potential for good cases and some joint working investigations have already commenced.
- 3.10 Part of the role of the CFT is to assist other departments in the Council. This year the CFT have assisted a number of internal departments including Environmental Health and Housing. The latter were predominantly applications for Housing where the case officer has been unhappy with information provided by the

applicant, felt there were gaps in the information provided or a lack of address history. The CFT assisted by conducting additional checks on people and addresses and attending interviews with housing officers.

- 3.11 The Corporate Fraud Manager (CFM) is the Council's Coordinating Officer for the Regulation of Investigatory Powers Act 2000 (RIPA) which deals with directed surveillance. Following inspection in 2021, the Investigatory Powers Commission reported Huntingdonshire District Council were compliant with the act. The inspector met with both the CFM and the Senior Responsible Officer to discuss and review our policy and procedures.

It is a requirement of the Council's Covert Surveillance (RIPA) Policy and Procedure that a report is made annually to Corporate Governance Committee on any activity undertaken in line with the policy. In 2022/2023 HDC made one application for directed surveillance, involving static cameras at an identified hot spot for fly tipping.

4. KEY IMPACTS / RISKS

- 4.1 One of the key impacts on the service this year has been a staff on long term sick leave for a period of circa five months. Due to the size of team, this had a major impact on what was investigated and thus the results achieved.
- 4.2 The announcement of the Energy Bill Rebate Scheme caused the CFT to redirect resource from normal investigation work to verifying bank account information to ensure that payments were made correctly to support local residents but applied proportionate level of checks to protect the public purse from fraudulent applications and comply with government guidance.
- 4.3 The announcement of the Energy Bill Support Scheme Alternative Funding and Alternative Fuel Payment has meant the CFM has been a key member of the project team involving planning, implementation, recruitment of external staff and daily running of the Energy Bill Support Scheme Team.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to public services. Fraudsters have taken advantage of grant schemes designed to help and support people and businesses.
- 5.2 The CFT will continue to work on referrals received from both housing providers and matches as a result of the National Fraud Initiative. The CFT has been reactive to work pressures and focused on priority work to enable residents to apply and receive money towards their energy costs. The CFT engaged with internal and external partners to prevent and detect fraud in a number of areas housing applications, single person discount fraud, grant fraud and Council tax support.
- 5.3 A review of casework was undertaken and, following the return to pre-pandemic levels, it is hoped the CFT can return to a state of business-as-usual providing additional grant schemes are not announced.
- 5.4 The CFT will continue to work with local housing providers to build strong relationships that will combat tenancy fraud in the district.

6. LINK TO THE CORPORATE PLAN

- 6.1 Priority 3: Delivering good quality, high value for money services with good control and compliance with statutory obligations.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The Anti-Fraud and Corruption Strategy sets out a requirement for an annual report to be submitted to the Corporate Governance Committee on the work of the Corporate Fraud Team during the previous financial year.

BACKGROUND PAPERS

CIPFA Fraud and Corruption Tracker Summary Report 2020

<https://www.cipfa.org/services/counterfraudcentre/fraud-and-corruption-tracker>

National Fraud Initiative report 2022

[2022-12-02_NFI_report_2022_12v3_-JQ.pdf \(publishing.service.gov.uk\)](#)

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