

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Fraud Team Update
Meeting/Date: Corporate Governance Panel – 25th March 2015
Executive Portfolio: Customer Service
Report by: Head of Customer Service
Ward(s) affected: All

Executive Summary:

This paper asks Corporate Governance Panel to close the Fraud Working Group and note progress towards retaining a HDC Fraud Team after the transfer of responsibility of welfare fraud investigation to the DWP.

Good progress has been made and it is expected transfer to the DWP will happen on schedule leaving a smaller retained HDC service that is well placed to continue tackling Fraud on behalf of the Council.

Recommendation(s):

The panel is asked to:

- 1 Formally record the closure of the Fraud Working Group, noting it has completed the tasks set out in its Terms of Reference**
- 2 Note the ongoing work to deliver a HDC Fraud Service once the transfer of welfare fraud investigation to the DWP has been completed.**

1. PURPOSE

- 1.1 This report confirms the Terms of Reference of the Fraud Working Group have been discharged and updates Corporate Governance Panel (CGP) on progress with delivery against Cabinet's decision to retain a HDC Fraud Team after transfer of welfare related fraud to the Department for Work & Pensions (DWP).

2. BACKGROUND

- 2.1 In 2014 the CGP formed a Fraud Working Group, the ToR of which were:

.....The fraud working group shall review the current performance of the corporate fraud team and the financial and non-financial benefits to be gained for the Council and the "public purse" from the investigation of non-welfare fraud and whether or not the Council should be recommended to make resources available for non-welfare fraud once the Single Fraud Investigation Service (SFIS) becomes operational

- 2.2 At its meeting on 25th September 2014 the CGP recommended to Cabinet that 'HDC retained a smaller Fraud Team, with the aim of being cost neutral'. This was based on efforts of the Working Group and a paper from Officers.

- 2.2 Cabinet met on the 23rd October 2014, and noted the findings of CGP. Cabinet agreed 'that the Council retains a fraud presence post SFIS be adopted but that Officers continue to pursue consideration of shared service options with partner authorities by 2016'

3. ANALYSIS

- 3.1 The decisions of CGP and Cabinet in late 2014 have ensured the Council will make resources available for non-welfare related fraud once SFIS becomes operational. This confirms the ToR of the Working Group have been met.

- 3.2 Since these decisions Officers have looked at what the **retained team** will be doing and what resources should be retained.

- 3.3 The Council will retain four posts at HDC. The team will become part of the Benefits Team; this is a good fit for them. They will focus investigations on Council Tax Support, Single Person discount, tenancy fraud and any other relevant fraud matters. They will also be a key liaison point for the DWP when investigations into benefit fraud are conducted.

- 3.4 Three Officers will move to SFIS and these posts will be removed from the establishment. In addition the vacant Fraud Manager post has been closed as part of the latest budget approval from Council (creating a saving of c£61k p.a.).

- 3.5 An informal consultation with staff has been completed in order to 'test' the future structure. Staff welcomed the proposals and supported the conclusions reached.

- 3.6 Consultation on the size and nature of the team has involved the Executive Councillor for Customer Service, and the proposed structure was shared with the Chair and Vice-Chair of CGP, receiving a favourable reaction. The Corporate Director (Services), s151 Officer and Audit Manager have also been consulted. Again they are supportive.

- 3.7 Staff Council have also been involved and they are supporting staff with HR issues as the changes are brought into place
- 3.8 Officers from HDC have met with DWP and agreed timescales for the transfer process. A formal consultation is now underway with staff. At the moment there is a good match between the posts HDC want to retain and the people who want to stay at HDC - and with those Officers who prefer to transfer the DWP – so the process of retention/transfer should go well.
- 3.9 In addition to implementing Cabinet's recommendation to retain the service, effort has also been put into **developing shared service** opportunities. HDC, and a number of other local partners, successfully bid for £330k of funding from DCLG to expand the already successful shared working on fraud (the Cambridgeshire Tenancy Fraud Forum) to cover more types of fraud and introduce new ways of detecting fraud using the latest technology.
- 3.10 This partnership involves SCDC, Cambs City, ECDC, FDC and Cambs County Council. Working in this way allows all partners to share resources and explore the potential benefits of working more closely in the future. Members should note all Councils in the Cambridgeshire area are undergoing transfer to SFIS at the moment – allowing this to happen prior to examining more detailed shares service work is a prudent step.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 None - this paper is for CGP only

5. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 5.1 All current HDC staff may elect to transfer to the DWP, leaving HDC without a Fraud Team. Close consultation and engagement with staff has clarified which staff are likely to stay, and which may leave – this risk is thought unlikely to be realised.
- 5.2 The process of transfer is a significant undertaking and this may impact operational delivery whilst transfer occurs. Officers in the team are managing workloads closely, and wherever possible cases are being programmed to begin after the SFIS transfer thereby offloading work to the DWP rather than leaving cases for HDC to progress.
- 5.3 The remaining team at HDC may need further change once it becomes operational. This risk has been minimised by examining the likely future workload, talking to other authorities who are further ahead in the implementation of SFIS and by consulting with stakeholders within the Council. It will be prudent to examine how the service is performing post-SFIS and this will be an action in the Service Plan for 2015/16.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The next step is to complete the necessary HR processes to transfer staff to the DWP. At the same time a number of Officers are likely to remain at HDC and they will be 'slotted' into remaining roles at HDC.
- 6.2 Alongside the transfer of resources to the DWP officers are preparing relevant cases and information to handover to the DWP for investigation. As this

involves a high level of confidential information there are strict protocols in place for this transfer.

- 6.3 All work to date has remained on track, and it is expected all remaining target dates will be met. SFIS transfer will formally happen on 1st May 2015.

7. LINK TO THE CORPORATE PLAN

- 7.1 This activity supports 'Ensuring we are a customer focussed and service led council', and specifically delivers against the key action 'Prepare for the move to a Single Fraud Investigation Service'.

8. CONSULTATION

- 8.1 No public consultation is required for this paper. Section (3) of this report details the considerable levels of consultation undertaken with Members and Officers to date with this work.

9. LEGAL IMPLICATIONS

- 9.1 Legal issues around TUPE appear to be progressing. No further implications at this time.

10. RESOURCE IMPLICATIONS

- 10.1 The restructure of the Fraud Team will mean the transfer of posts from HDC to the DWP. It had already been assumed in the MTFS that posts would transfer to DWP reducing the cost of this service to HDC.
- 10.2 The structure being implemented will reduce the budget further than the MTFS forecast. By transferring an additional post above the assumptions in the MTFS a further c.£42k will be saved per annum. See Appendix 1 for more detail.

11. OTHER IMPLICATIONS

(Equalities, environment, ICT, etc)

- 11.1 None.

12 REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The Fraud Working Group has completed its activity and has met its Terms of Reference. Cabinet endorsed the findings of CGP, and have decided to retain a HDC Fraud Team once transfer of work to SFIS has occurred.
- 12.2 Good progress is being made to deliver Cabinet's decision, and it is expected HDC will have an operational Fraud Team in place ready for SFIS transfer in May 2015.
- 12.3 The panel is asked to:
- 12.3.1 Formally record the closure of the Fraud Working Group, noting it has completed the tasks set out in its Terms of Reference**
 - 12.3.2 Note the ongoing work to deliver a HDC Fraud Service once the transfer of welfare fraud investigation to the DWP has been completed**

13. LIST OF APPENDICES INCLUDED

Appendix 1 - Staffing structure and cost – EXEMPT – By virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act

BACKGROUND PAPERS

None

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