

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	22 November 2023
<b>Subject:</b>	Counter Fraud and Enforcement Unit Update
<b>Report of:</b>	Head of Service: Counter Fraud and Enforcement Unit
<b>Head of Service/Director:</b>	Executive Director: Resources
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	1

## **Executive Summary:**

To provide the Audit and Governance Committee with assurance over the counter fraud activities of the Council.

Work plans are presented to the Audit and Governance Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

The Counter Fraud and Enforcement Unit will continue to provide Audit and Governance Committee with direct updates biannually, for Tewkesbury Borough Council this will be at the July and November meetings.

## **Recommendation:**

**To CONSIDER the annual update on the work of the Counter Fraud and Enforcement Unit.**

## **Financial Implications:**

The report details financial savings generated by the Counter Fraud and Enforcement Unit.

## **Legal Implications:**

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

## **Environmental and Sustainability Implications:**

None.

**Resource Implications (including impact on equalities):**

The promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.

The Counter Fraud and Enforcement Unit seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

**Safeguarding Implications:**

Where any safeguarding concerns are identified during the course of the Counter Fraud and Enforcement Unit duties, appropriate referrals will be made.

**Impact on the Customer:**

Prosecutions will only be considered where the evidential and public interest tests are met with due consideration to the welfare of individuals.

The local authority will only take enforcement action where appropriate to do so with due consideration to older offenders, offenders with disabilities and where the offender lacks mental capacity.

**1.0 INTRODUCTION**

- 1.1 The Audit and Governance Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2 In administering its responsibilities, this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.
- 1.3 The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.
- 1.4 Work plans have been agreed with the Executive Director: Resources and the Director: Corporate Resources. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.5 Attached at Appendix 1 is a copy of the work plan for 2023/2024.

**2.0 WORK PROGRAMME RESULTS**

- 2.1 The Counter Fraud and Enforcement Unit Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud.

- 2.2** The Counter Fraud and Enforcement Unit will be working with colleagues within Trading Standards and the Police to establish an effective communication strategy to provide relevant information to members of the public relating to seasonal scams and ways to avoid them. Awareness sessions have been held for all staff.
- 2.3** In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). Updated figures confirm that recoverable invoices totalling £326,824 were raised; £105,433 has been recovered and returned to DBT. £212,274 has not been repaid and liability for the recovery of this has been transferred to DBT. To provide some context, Tewkesbury Borough Council paid out approximately £32,000,000 in business grants between April 2020 and March 2022.
- 2.4** All local authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation. The team are processing the following:
- The team reviewed 480 matches regarding single person discount anomalies relating to the 2021/22 data sets. 51 actions have been sent to the Revenues Team; results are pending.
  - In relation to the 2022/23 data sets, the team have received 671 matches and have commenced the review.
- 2.5** The review of the Housing Waiting List has been completed. This included verification of applications within Emergency Band (58 applications), Gold Band (110 applications) and Silver Band (594 applications). This has resulted in 244 recommendations being referred to the Housing Team, results are pending. Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.
- 2.6** In addition to the work carried out under the annual work plan attached at Appendix 1, as a dedicated investigatory support service, the Counter Fraud and Enforcement Unit undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/Member fraud and corruption, or tenancy and housing fraud investigation work.
- 2.7** During Quarters 1 and 2, the team received 30 referrals from across the Council and closed 18. This excludes referrals relating to the Council Tax Reduction Scheme.
- 2.8** Work undertaken with Enforcement Officers resulted in two successful prosecutions:
- A company pleaded guilty to a licensing offence, in that they were operating a vehicle without a licence and received a £1,000 Fine. Costs of £1,851 were also awarded.
  - A second company was found guilty in absence for licensing offences, in that they were operating a vehicle and a driver without a licence. They were Fined £1,500 and ordered to pay £2,491 in costs.

**2.9** The Counter Fraud and Enforcement Unit has been tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and is the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations.

**2.10** Between 1 April 2023 and 30 September 2023, the team received 9 referrals and closed 13 cases. The team processed 13 enquiries for the Department for Work and Pensions.

- 1 Civil Penalty and 1 Criminal Penalty have been applied totalling £170.
- An individual was prosecuted jointly with the DWP after pleading guilty to a number of offences relating to DWP Benefits and Council Tax Support payments. The defendant received a 9 month custodial sentence suspended for 2 years.
- Increased Council Tax revenue of £11,856 has been raised.

**2.11** The team undertook an investigation relating to disciplinary matters. A member of staff was dismissed due to gross misconduct.

### **3.0 CONSULTATION**

**3.1** Any policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and issued to the relevant Senior Officers, Management and Governance Officers for comment.

**3.2** Internal Audit and the Counter Fraud and Enforcement Unit have a formalised protocol and meet to review the current work plan and assess any areas of risk. Policy documentation will be presented when required to the Management Team.

### **4.0 ASSOCIATED RISKS**

**4.1** The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud and Enforcement Unit provides assurance in this area.

**4.2** Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

### **5.0 MONITORING**

**5.1** The work programme is monitored on an ongoing basis by Officers of the Counter Fraud and Enforcement Unit and on a quarterly basis by relevant Heads of Service.

## **6.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

### **6.1 Counter Fraud and Anti-Corruption Policy**

Whistle Blowing Policy

Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

Corporate Enforcement Policy

Regulation of Investigatory Powers Act 2000 (Surveillance and CHIS) Policy

Investigatory Powers Act 2016 (Acquisition of Communication Data) Policy

Use of the Internet and Social Media in Investigations and Enforcement Policy

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**Background Papers:** None

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**Appendices:** Appendix 1 – Work Plan 2023/24