



## Selby District Council

### Counter Fraud Progress Report 2018/19



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<b>Date:</b>	10 <sup>th</sup> April 2019

## **Background**

- 1 Fraud is significant risk to the public sector. Annual losses are estimated to exceed £40 billion in the United Kingdom.
- 2 Councils are encouraged to prevent, detect and deter fraud in order to safeguard public finances.
- 3 Veritau are engaged to deliver a corporate counter fraud service for Selby District Council. A corporate counter fraud service aims to prevent, detect and deter fraud and related criminality affecting an organisation. Veritau deliver counter fraud services to the majority of councils in the North Yorkshire area as well as local housing associations and other public sector bodies.

## **Counter Fraud Performance 2018/19**

- 4 Up to 28 February, the fraud team detected £36.6k of loss to the council and achieved £14.7k in savings for the council as a result of investigative work. There are currently 15 ongoing investigations. A summary of counter fraud activity is included in the tables below.

## COUNTER FRAUD ACTIVITY 2018/19

The tables below show the total number of fraud referrals received and summarises the outcomes of investigations completed during the year to date.

	<b>2018/19 (As at 28/02/19)</b>	<b>2018/19 (Target: Full Year)</b>	<b>2017/18 (Full Year)</b>
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	44%	30%	44%
Amount of actual savings (quantifiable savings - e.g. CTS and CTAX) identified through fraud investigation.	£14,704	£14,000	£22,195

### Caseload figures for the period are:

	<b>2018/19 (As at 28/02/19)</b>	<b>2017/18 (Full Year)</b>
Referrals received	107	81
Referrals rejected	54	43
Number of cases under investigation	15	15 <sup>1</sup>
Number of investigations completed	17	41

<sup>1</sup> As at 31/3/18

## Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative is underway. A range of council data was gathered and sent to the Cabinet Office by council colleagues in October 2018. An initial 515 matches were released at the beginning of February with more expected over the next two months. The matches will be reviewed by the counter fraud team and council colleagues.</p> <p>The council participated in an NFI Business Rates pilot alongside regional partners in 2018. The exercise identified at least two businesses that were incorrectly receiving Small Business Rate Relief (SBRR) which resulted in substantial savings for the council. A further two properties have been sent to the Valuation Office Agency (VOA) for revaluation.</p>
Fraud detection and investigation	<p>The service continues to use 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"> <li>• <b>Council Tax Support fraud</b> – To date the team has received 63 referrals for possible CTS fraud. Fraud and error of over £10k has been detected during the current financial year. One person has been issued a warning relating to an offence in this area. There are currently 8 cases under investigation.</li> <li>• <b>Council Tax/Non Domestic Rates fraud</b> – 38 referrals for council tax fraud have been received in 2018/19. Over £9k of fraud has been detected in this area. One person has been issued a warning this year. There are currently 2 cases under investigation.</li> <li>• <b>Housing fraud</b> – The team has received 4 referrals for investigation in the year. There are currently 2 ongoing investigations in this area. One property has been recovered in the period following an investigation where a tenant was found to be illegally subletting a</li> </ul>

Activity	Work completed or in progress
	<p>property. One warning has also been issued in this area.</p> <ul style="list-style-type: none"> <li>• <b>Internal fraud</b> – Two cases of fraud in this area have been reported this year, both investigations are ongoing.</li> <li>• <b>External fraud</b> – An investigation is ongoing following a mandate fraud perpetrated against the council.</li> <li>• <b>Parking Fraud</b> – One person has been issued a warning relating to parking fraud after an investigation found a blue badge being misused by a third party.</li> </ul>
Fraud liaison	<p>The fraud team acts as a single point of contact for the Department for Work and Pensions and is responsible for providing data to support their housing benefit investigations. The team have dealt with 137 requests on behalf of the council in 2018/19.</p>
Fraud Management	<p>In 2018/19 a range of activity has been undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> <li>• In May 2018, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2017/18 meeting the council's obligation under the Local Government Transparency Code 2015.</li> <li>• The council participated in the annual CIPFA Counter Fraud and Corruption Tracker (CFaCT) survey in June 2018. The information provided has contributed to a recently released report which provides a national picture of fraud, bribery and corruption in the public sector and the actions being taken to prevent it.</li> </ul>

<b>Activity</b>	<b>Work completed or in progress</b>
	<ul style="list-style-type: none"><li data-bbox="465 300 2007 424">• During this year's National Fraud Initiative data gathering exercise, the counter fraud team has confirmed that, as part of the council's legal obligation, privacy notices are in place to facilitate data processing.</li><li data-bbox="465 475 2007 555">• As part of International Fraud Week in November 2018, the counter fraud team raised awareness of fraud with staff via intranet articles published throughout that week.</li><li data-bbox="465 606 2007 730">• In February 2019 meetings were held with the Department for Work and Pensions (DWP) to discuss possible joint working arrangements due to commence in the Yorkshire and Humber region in May 2019.</li><li data-bbox="465 782 2007 861">• In March 2019 a message was included in the annual council tax and business rates billing encouraging residents to report any suspicions of fraud to the fraud hotline.</li><li data-bbox="465 912 2007 992">• The counter fraud team alerts council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year.</li></ul>