



Selby District Council

Counter Fraud Progress Report 2020/21

Corporate Fraud Manager:
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Date:

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Background

- 1 Fraud is a 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.

Covid-19 Grant Fraud

- 4 As a result of the Covid-19 pandemic there has been unplanned activity and disruption to established working practices for the counter fraud team. This has seen a reduction in the number of referrals to the team and a reduction in the number of cases that could be brought to a successful conclusion in the year to date. Face-to-face activities, such as interviews under caution and visits to properties have had to be replaced with new procedures to ensure Covid secure working practices to protect staff and customers. New work has emerged relating to Covid-19 grants. The council have been tasked with issuing central government funded grants to support businesses and residents affected by Covid-19. This work has evolved with several new schemes being introduced from September 2020.
- 5 The counter fraud team has provided support through the investigation of grant applications suspected of being fraudulent. Investigation and intelligence sharing has prevented incorrect payments totalling £30k. Organised criminal gangs have targeted local authorities who have been distributing government funding. The counter fraud team has monitored and shared intelligence with both regional partners and national institutions such as the National Investigation Service and the National Anti-Fraud Network.
- 6 Post-assurance checks are ongoing in relation to successful applications for the initial tranche of grants. Veritau are supporting council officers with further post-assurance work on the newer schemes. In addition, the 2020/21 National Fraud Initiative will include Covid-19 grant data matches to detect fraud and error.

Counter Fraud Performance 2020/21

- 8 Up to 31st December, the fraud team detected £8.4k of loss and achieved £8.1k in savings for the council. Investigative work also prevented a false homelessness application from entering the housing list. There are currently 14 ongoing investigations. A summary of counter fraud activity is included in the tables below.

COUNTER FRAUD ACTIVITY 2020/21

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

	2020/21 (As at 31/12/20)	2020/21 (Target: Full Year)	2019/20 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked).	28%	30%	75%
Amount of actual savings (quantifiable savings - e.g. CTS and CTAX) identified through fraud investigation.	£8,053	£14,000	£16,728
Amount of savings from the prevention of Covid-19 grant fraud (to be returned to Central Government)	£30,000	n/a	n/a

Caseload figures for the period are:

	2020/21 (As at 31/12/20)	2019/20 (Full Year)
Referrals received	77	114
Referrals rejected	23	72
Number of cases under investigation	14	11 ¹
Number of investigations completed	18	24

Summary of counter fraud activity:

¹ As at 31/03/2020

Activity	Work completed or in progress
Data matching	<p>Work on the 2020/21 National Fraud Initiative exercise is underway. In November, the counter fraud team assisted the Council's submission of datasets required for main exercise. Further data for matches relating to Single Person Discounts and Covid-19 grants will be provided by the end of January 2021. Matching outputs are expected to be released from February 2021.</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"> • Covid-19 Grants – The team has investigated four applications for a Covid-19 grant which resulted in payments totalling £20k being stopped. One person was issued a warning for trying to obtain a grant for a business that was not in operation. Intelligence provided by the counter fraud team prevented a further payment of £10k from being paid to organised criminals running a national scam. There are two ongoing investigations. • Council Tax Support fraud – To date the team has received 40 referrals for possible CTS fraud. No new fraud or error has been detected during the current financial year but savings of £4.5k achieved. There are currently three cases under investigation. • Council Tax fraud – 21 referrals for council tax fraud have been received in 2020/21. There are currently seven cases under investigation. Fraud and error of £2.6k has been detected during the current financial year, with savings of £1.7k achieved. • NNDR fraud – 10 referrals for NNDR fraud have been received in 2020/21. To date, £5.8k in fraud and error has been detected in this area. Three cases are currently under investigation.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • Housing fraud – The team has received six referrals for investigation in the year. There is currently one ongoing investigation in this area. In October, a resident was issued with a caution for failing to provide correct information when declaring themselves homeless. Investigation resulted in the housing application being cancelled before a tenancy was offered. • Internal fraud – No cases of internal fraud have been reported this year.
Fraud liaison	<p>The fraud team acts as a single point of contact for the Department for Work and Pensions (DWP) and is responsible for providing data to support their housing benefit investigations. DWP fraud and compliance staff were redeployed at the outset of the Covid-19 pandemic but have started returning to regular duties in late 2020. The team have dealt with one request on behalf of the council in 2020/21.</p>
Fraud Management	<p>In 2020/21 a range of activity has been undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> • 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. • In May 2020, the council's counter fraud transparency data was updated to include data on counter fraud performance in 2019/20, meeting the council's obligation under the Local Government Transparency Code 2015. • In September 2020, the council participated in the annual CIPFA Counter Fraud and Corruption Tracker (CFaCT) survey. The information contributes to an annual CIPFA

Activity	Work completed or in progress
	<p>report which provides a national picture of fraud, bribery and corruption in the public sector and the actions being taken to prevent it.</p> <ul style="list-style-type: none"><li data-bbox="465 384 2002 507">• In November, the counter fraud team and the council's communications team worked together to raise awareness of fraud internally and with the public during International Fraud Awareness Week.<li data-bbox="465 560 2002 683">• Throughout the Covid-19 pandemic, the counter fraud team have provided support to the council in preparing for and administering government funded grant schemes. This has included reviewing government guidance and advising on best practice.