



## **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 safeguard public finances. 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**

- 3 The counter fraud team supported the Council in producing a post-payment assurance plan in January. In line with government targets, post-assurance checks have been completed on the Small Business Grant Fund, Retail, Hotel and Leisure Grant Fund, and Local Authority Discretionary Fund. No issues were identified with the grants awarded. This work will be supplemented by outputs from the National Fraud Initiative (NFI) in 2021/22. Matches arising from the NFI will be reviewed and investigated as necessary.
- 4 Veritau will continue to provide support with pre and post-payment assurance responsibilities for ongoing schemes. This includes the use of government verification tools and undertaking investigation in cases of suspected fraud.

## **Counter Fraud Performance 2020/21**

- 7 Up to 28 February 2021, investigative work has detected £8.4k of loss and achieved £8.1k in savings for the council. A false homelessness application was identified and prevented from entering the housing list. There are currently 13 ongoing investigations. Three Covid-19 grant payments totalling £30k were prevented from being paid to applicants who did not qualify; one involved an attempt by organised criminals. 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.

|  | <b>2020/21<br/>(As at 28/02/21)</b> | <b>2020/21<br/>(Target: Full Year)</b> | <b>2019/20<br/>(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). | 30%                                 | 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:

|                                     | <b>2020/21<br/>(As at 28/02/21)</b> | <b>2019/20<br/>(Full Year)</b> |
|-------------------------------------|-------------------------------------|--------------------------------|
| Referrals received                  | 86                                  | 114                            |
| Referrals rejected                  | 45                                  | 72                             |
| Number of cases under investigation | 13                                  | 11 <sup>1</sup>                |
| Number of investigations completed  | 22                                  | 24                             |

### Summary of counter fraud activity:

<sup>1</sup> As at 31/03/2020

| Activity                          | Work completed or in progress   |
|-----------------------------------|---|
| Data matching                     | <p>Review of the 2020/21 National Fraud Initiative exercise outputs is in progress. In November, the counter fraud team assisted the Council's submission of datasets required for main exercise and for the Single Person Discount exercise. Further matches relating to the initial tranche of Covid-19 grants will be released in the next financial year.</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>Covid-19 Grants</b> – Four applications for Covid-19 grants have been investigated by the team. Payments totalling £20k have been stopped as a result of this work. 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.</li> <li>• <b>Council Tax Support fraud</b> – 42 referrals for possible CTS fraud have been received. No new fraud or error has been detected during the current financial year but savings of £4.5k have been achieved. Two cases remain under investigation.</li> <li>• <b>Council Tax fraud</b> – To date the team has received 24 referrals for council tax fraud. There are currently seven cases under investigation. Fraud and error totalling £2.6k has been detected in this area during the current financial year, with savings of £1.7k achieved.</li> <li>• <b>NNDR fraud</b> – 11 referrals for NNDR fraud have been received in 2020/21. To date, £5.8k in fraud and error has been detected and savings of £1.7k have been achieved. One case is currently under investigation.</li> </ul> |

| Activity         | Work completed or in progress  |
|------------------|--|
|                  | <ul style="list-style-type: none"> <li>• <b>Housing fraud</b> – The team has received nine referrals for investigation in the year. Three investigations are ongoing in this area. One investigation resulted in the housing application being cancelled before a tenancy was offered and the applicant received a caution. Verification checks on three Right to Buy applications and one housing application found no issues.</li> <li>• <b>Internal fraud</b> – No cases of internal fraud have been reported this year.</li> </ul>   |
| 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 some teams have started returning to regular duties. The team have dealt with 12 requests 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"> <li>• 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> <li>• 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.</li> <li>• In September 2020, the council participated in the annual CIPFA Counter Fraud and</li> </ul> |

| <b>Activity</b> | <b>Work completed or in progress</b>   |
|-----------------|--|
|                 | <p data-bbox="512 252 1998 379">Corruption Tracker (CFaCT) survey. The information contributes to an annual CIPFA 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 data-bbox="468 427 1998 906" style="list-style-type: none"><li data-bbox="468 427 1998 555">• In November 2020, 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><li data-bbox="468 603 1998 730">• In February 2021, a counter fraud leaflet was issued to residents with their annual council tax bill. The insert raised fraud awareness with the public and publicised the council’s 0800 fraud hotline.</li><li data-bbox="468 778 1998 906">• 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.</li></ul> |