



Welwyn Hatfield Borough Council

Audit Committee

March 2025

## **Anti-Fraud Progress Report 2024/2025**

## **Purpose**

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2024/25.
2. A final report covering the whole year will be provided to this Committee in the summer with detailed activity against the Anti-Fraud Plan.

## **Recommendations**

**Members are RECOMMENDED to:**

- a) **Note the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.**

## **Delivery of the Anti-Fraud Plan**

3. The 2024/2025 Anti-Fraud Plan was approved by this Committee at its March 2024 meeting ([Public Pack](#))[Agenda Document for Audit Committee, 18/03/2024 19:30 \(welhat.gov.uk\)](#). This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Corruption Locally Strategy for the 2020s*. The Plan also provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership.

## **2024/2025 Anti-Fraud Activity**

4. The Council has in place Anti-Fraud, Bribery & Corruption Policies and these are kept under constant review to ensure compliance with current best practice and the impact of any changes required by legislation.
5. SAFS provided alerts on new and emerging fraud trends through its Board members and directly with officers working in our Partners. These alerts come from a variety of sources including the National Anti-Fraud Network (NAFN), Credit Industry Fraud Avoidance Service (CIFAS), National Fraud Intelligence Bureau (NFIB) at the City of London Police, and others.
6. Between April and December 2024 SAFS issued 35 Urgent Fraud Alerts including impersonation/ push payments/ payment diversion/ false identified used in various application frauds. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with the latest guidance to assist with identification and prevention. SAFS has issued four of these reports this year focused on Multiple Employment fraud, ID fraud, 'Overpayment' linked to money laundering, and MS account take-over.
7. A training plan to build on staff awareness and fraud reporting, along with publicity campaigns to inform the public and encourage fraud reporting has been developed with officers in HR and Comms teams. Ten training events had been delivered to the end of December 2024 including ID fraud, 'Blue Badge' abuse general fraud awareness for staff and contract/bid-rigging provided by the Competitions and

Markets Authority. SAFS also delivered two town-hall SAFS/fraud awareness sessions for all staff.

8. Across of our partners SAFS provides Executive Reports (ER) to senior management and internal audit where investigations identify that fraud or attempted fraud occurred due to system/process weaknesses, SAFS also provides recommendations for management to consider the removal/reduction/mitigation of any ongoing fraud risk. We issued one generic ER for all SAFS Partners focused on the risk of Council bank details being hi-jacked for use by criminals.

### **Reactive Work**

9. Between April and December 2024 98 allegations of fraud had been received affecting service areas such as housing, council tax, procurement, and Blue Badge misuse. SAFS currently have 53 cases under investigation, or at referral stage (19), with estimated losses of £1.4m recorded in this caseload.
10. SAFS have closed 10 investigations with fraud identified on 5 occasions. Fraud losses of £57k have been reported with savings, through prevention, amounting to £527k. SAFS have also conducted compliance reviews of 23 low value frauds identifying £23k of additional revenue in council tax. There is a further £28k of loss in HB/CTRS yet to be recorded due to issues with the DWP not responding to enquires submitted by the Council.
11. Three cases have been referred to the Councils legal team to consider prosecution. These are both significant cases with high losses for the Council and will take some time to resolve through the court process. The Council makes use of other sanctions as alternatives to prosecutions where these are appropriate.
12. SAFS continues to work closely across the Council Housing services, working with officers to assist in the recovery of council properties that are being sub-let or misused, preventing fraudulent right to buy applications and identifying fraudulent housing applications. So far this year four properties have been secured and re-let to local residents from the Councils housing register and one housing applicant was removed from the housing register. A number of cases are pending recovery at present.
13. As well as working with the Councils housing services SAFS continues to work with registered housing providers to investigate allegations of 'tenancy-fraud' committed against the social housing stock within the Councils boundaries.

### **Proactive Work**

14. SAFS officers have reviewed 138 'right to buy' (RTB) applications to ensure that there was no fraud or money laundering concerns with these. To the end of December 6 of these applications required further investigation with 3 applications withdrawn. The volume of RTB applications received by the Council increased following announcements in the Autumn Budget making the scheme much less attractive financially for social housing tenants.

15. The Councils Housing Team and SAFS planned a Key-Amnesty for January 2025, with tenants encouraged to surrender their tenancy if they no longer required it or where they may have been sub-letting the property illegally. We also used this opportunity to raise awareness through tenants' newsletters/communications of the impact of fraud on the Council.
16. SAFS and Council officers ensured that all data required for submission as part of the Cabinet Office 'National Fraud Initiative' (NFI) was uploaded on time and meeting the correct specification. The output from this two-yearly national exercise produced 1,353 general matches (further creditors and council tax reports will be released in Q4), officers from SAFS and the Council are reviewing all matches at present with the intention to clear this work by the end of Q4.
17. The Council is signed up the Herts Fraudhub for the current year. The FraudHub works in a similar fashion to the main NFI exercise with data being submitted along with the other SAFS partners to help identify fraud through data-analysis/matching. In Q1- Q3 all agreed datasets were successfully uploaded. So far the FraudHub has identified in excess of 2,700 records for review, SAFS and Council officers are reviewing these at present with small number identifying fraud and error already.
18. As part of the FraudHub activity planned for the current year SAFS worked with the Cabinet Office to develop a national pilot to assist in the identification of potential tenancy fraud using various third-party datasets. This pilot has had very limited success so far, but we are continuing to work with the Cabinet Office, and their software developer, to enhance this pilot in the second half year along with the use of additional data from the private sector.
19. SAFS KPIs were agreed in the Anti-Fraud Pan, progress is reported below.

### SAFS KPI Progress - 2024/ 2025

KPI	Measure	Objectives	Performance to December 2024
1	Return on investment from SAFS Partnership.	<p>A. Meetings to take place with the Executive Director (Finance and Transformation), quarterly. And reports on all SAFS Activity to Portfolio Leads for Finance and Housing.</p> <p>B. Executive Director (Finance and Transformation) or deputy will be invited to attend SAFS Board meetings quarterly.</p> <p>C. Regular meetings to take place with Directors/Service Leads to agree and update local work plans.</p> <p>D. 3 Reports to Audit Committee in 2024/25.</p>	<p>A. Meetings take place with the Executive Director (Finance and Transformation) and other senior leaders to discuss delivery of the AF Plan and anything else relevant. The Agenda is agreed by Council Officers</p> <p>B. Executive Director (Finance and Transformation) is a member of the SAFS Board and attends its quarterly meetings.</p> <p>C. SAFS meet with other service leads across the Council as and when required with a focus on the highest risk areas.</p> <p>D. Three reports will have been delivered in 2024/25 - June/September/March AC meetings.</p>
2	Provide an investigation service.	<p>A. Deliver between 90% and 110% of the 344 Days of counter fraud work including proactive and reactive</p>	<p>A. To the end of December 2024 SAFS had provided 321 days (93%) of those planned for the year.</p>

		investigation activity, data-analytics, training and fraud risk management.	
3	Action on reported fraud.	A. SAFS response to 95% of referrals received within 2 Days.	A. In Q1-Q3 SAFS responded to 100% of referrals within 24 hours on average.
4	Anti-Fraud Training	A. Deliver 10 anti-fraud/corruption training events for staff/Members in year. (To be agreed with Directors/Service leads and HR)	A. 10 Sessions delivered. In addition SAFS presented at the Councils Staff Briefing events in Q1 with all staff invited.
5	Allegations of fraud. & And outcomes from cases investigated.	A. 100% All reported fraud (referrals) received by the Council will be logged and reported by type & source on SAFS CMS. Outcomes of all referrals/cases will be recorded and reported. B. 6-12 Social homes secured from unlawful use or sub-letting or other unlawful activity. C. 100% Review of all Right to Buy and 'Succession' applications to prevent fraud and money laundering. D. SAFS to provide all Fraud Data for 2023/24 as required by the Transparency Code 2015.	A. Fraud reporting options available for staff and residents on the Council's webpage and intranet- This is linked to SAFS reporting tools. All cases with reports/values/outcomes recorded on SAFS CMS. B. 4 properties recovered with a number pending recovery at the time of reporting. C. 100% review of all RTBs completed, no Succession applications have been submitted to SAFS yet. D. Transparency Data provided in SAFS report to AC in June 2024.
6	Making better use of data to prevent/identify fraud.	A. Support the output from NFI 2024/25 Council services. B. Membership and VFM from the Herts FraudHub in 2024/25.	A. The NFI data-upload was completed in compliance with legislation and officers are now reviewing reports/matches with SAFS support. B. The Council has a contract in place for the FHub and data is being uploaded and output under review with Council officers.

## Further Reading

### 20. List of Background Papers - Local Government Act 1972, Section 100D

**(a) Councillors Workbook on Bribery & Fraud Prevention (LGA 2017)**

**(b) Fighting Fraud and Corruption Locally- A Strategy for the 2020's (CIPFA/CIFAS/LGA 2020)**

**(c) Tackling Fraud in the Public Sector (CIPFA 2020)**

**(d) Lost Homes Lost Hope (Fraud Advisory Panel 2023)**