



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 24 OCTOBER 2024
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT UPDATE REPORT
Wards affected	None
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Chief Finance Officer Email: David.Stanley@cotswold.gov.uk
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided twice a year. Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.
Annexes	None.
Recommendation(s)	That the Audit and Governance Committee; I. Considers and comments on the report.
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services
Key Decision	No
Exempt	No
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Deputy Chief Executive. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the



	Governance Group and Corporate Management for comment.
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1. EXECUTIVE SUMMARY

- 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 Work plans have been agreed with the Deputy Chief Executive and the Council's Management and details relating to work delivery are presented, in this report, to Audit and Governance Committee as the body charged with governance in this area.
- 1.3 The work plan for 2024/25 includes a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas. This work will include both prevention and detection activities.

2. BACKGROUND

- 2.1 In administering its responsibilities, the 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.
- 2.2 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.

3. MAIN POINTS

- 3.1 The CFEU 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. The CFEU Head of Service has also joined the Thames Valley MAAF Group, representing West Oxfordshire District Council.
- 3.2 As previously reported, it has been agreed that the Gloucestershire MAAF will have a dedicated webpage. Funding of £5,000 was awarded by the Office of the Police and Crime Commissioner to support this. Tewkesbury Borough Council ICT team will be leading on this project however recent events related to the cyber incident mean this may be slightly delayed.



- 3.3** 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). This work continues with an extended deadline of 31 December 2024. An update relating to this date has been requested so that the Council may review any debts outstanding that are the subject of current payment plans to ensure that should any payee default in the future, the Council is still able to transfer liability to DBT.
- 3.4** In response to the severe flooding events between 2 and 8 January 2024 caused by Storm Henk, a number of grant schemes were activated. The CFEU have been working with residents and businesses effected to allow claims for the following:
- Community Recovery Grants – £500 per household – 0 grants were awarded,
 - Business Recovery Grants – £2,500 per business – 1 grant awarded,
 - Council Tax Discounts – 100% discount for a minimum of three months – no relief was awarded and
 - Business Rate Reliefs – 100% relief for a minimum of three months – no relief has been granted.
- 3.5** 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 and it’s comparisons across national data sets 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.
- Results have now been received regarding the 2021/22 single person discount anomalies. Further increased Council Tax revenue of £18,116 has been raised and an additional 7 Civil Penalties totalling £490 have been applied.
 - In relation to the 2022/23 data sets, the team received 909 matches, all have been reviewed. Some results have been previously reported in relation to internal matches and in relation to Housing Benefit and Council Tax Support anomalies.
 - The team also received 1,014 Council Tax related matches as a result of the 2023/24 data sets, these have also been reviewed.
 - Of the above, 1,255 matches related to single person discount anomalies. 102 accounts have been referred to the Revenues Team with recommendations, results are pending.
 - 397 matches relate to discrepancies regarding Council Tax and deceased liable parties; 32 require further investigation.
 - 130 matches regarding housing application discrepancies resulted in 21 recommendations being issued to the Housing Team; results are still pending and a request for an update has been sent.



- 3.6** As reported previously, a review of the Housing Waiting List was completed. This included verification of applications within Emergency Band (35 applications), Gold Band (34 applications) and Silver Band (203 applications). This resulted in 139 recommendations being referred to the Housing Team. To date 5 applications have been removed from the Emergency and Gold lists representing a figure of £21,415. Results are pending in relation to the Silver Band list. 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.
- 3.7** Criminal Enforcement, Regulation of Investigatory Powers Act and Investigatory Powers Act refresher training was delivered to the ERS staff in quarter 1. Sessions for all other enforcement staff will be delivered during the autumn.
- 3.8** As part of the assurance activity relating to procurement fraud prevention, work has commenced on a review of small supplier payments. A data matching exercise has also commenced across the partnership in relation to awards of small business rates relief. Updates will be provided to in due course.
- 3.9** In addition to the work carried out under the annual work plan, as a dedicated investigatory support service, the CFEU 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. Since 1 April 2024 the team have received 48 referrals; 14 referrals were declined, and 14 matters were referred to the Department for Work and Pensions. The remaining referrals are being dealt with by the team.
- 3.10** Since 1 April 2024, the team have opened 4 cases and closed 10 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.
- Work undertaken with the Revenues Team resulted in the removal of 2 incorrect Council Tax discounts/exemptions and 1 property being brought into ratings. Increased Council Tax revenue totalling £7,461 and a Civil Penalty for £70 being applied.
- 3.11** The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for the Department for Work and Pensions (DWP) Housing Benefit investigations. In the same period 2 cases were opened, and 4 cases were closed.
- Increased Council Tax revenue of £3,476 has been raised.
 - 1 Criminal Penalty totalling £697 was accepted.



- An individual was prosecuted, receiving a Fine for £100 and was ordered to pay a compensation order for £3,500 to the Department for Work and Pensions.

3.12 The team received 1 grievance referral from HR and closed 1 disciplinary matter relating to the falsification of timesheets; the individual resigned during the investigation.

3.13 During 2023/24, the team undertook an investigation relating to a member of staff undertaking full time employment for multiple Councils. The individual was dismissed last year however the individual is also the subject of a prosecution for fraud. The case is listed for trial at Gloucester Crown Court next year.

4. ALTERNATIVE OPTIONS

4.1 The Council is the lead authority for the Gloucestershire Counter Fraud and Enforcement Unit. This Unit is working with all of the Gloucestershire Local Authorities, West Oxfordshire District Council, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.

4.2 The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money however there are other counter fraud provision options which could be considered if the Council wished to explore alternative arrangements.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising directly from this report. The Council has a duty to prevent fraud and corruption with Section 3 of the report providing members with an update on the work of CFEU and the increased revenue and penalties applied following casework and successful investigations.

6. LEGAL IMPLICATIONS

6.1 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.

6.2 The Authority is also required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

7. RISK ASSESSMENT

7.1 The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.

7.2 Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.



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7.3 If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

8. EQUALITIES IMPACT

8.1. The CFEU 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 to be protected from crime and other public safety risks.

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

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not applicable.

10. BACKGROUND PAPERS

10.1 None.

(END)