

# Anti-Fraud and Corruption Plan 2021-2022

Corporate Resources

September 2021

## 1.0 Introduction

Ordinarily this document would have been presented for sign-off in April in readiness for the new contract term, however due to the ongoing impact of the COVID-19 pandemic, this plan now reflects the work the partnership has delivered from 1 April 2021, and that will continue to be delivered until 31 March 2021.

This document sets out the Council's Anti-Fraud and Corruption Plan for the 2021-2022 financial year.

South Derbyshire District Council works in partnership with Derby City Council to provide a team of dedicated counter fraud professionals to the Council.

The team works to prevent fraud from entering the system by advising on new and revised procedures to help prevent fraud and embedding fraud awareness across the Council.

Where potential fraud is identified, it also carries out fraud investigation work across corporate, benefit and tenancy related fraud, including right to buy. It also works to identify losses to be recovered either directly or in accordance with the Proceeds of Crime Act.

The team also carries out the annual regulatory data matching checks as required by the National Fraud Initiative (NFI) that results from information uploaded for the following areas of work by officers of South Derbyshire Council.

- Payroll
- Creditors
- Housing waiting list
- Right to buy
- Licences
- Electoral registration/council tax
- Single persons discount - council tax
- COVID-19 Business Support Grant

The work of the team is supported by the work of teams across the organisation who also deliver anti-fraud activities in their service areas – for example housing.

## 2.0 Objectives and Targets

The main objectives are to:

- Instil routine fraud checking as part of the Council's operational processes for revenues and benefits, housing, Right to Buy and wider service areas.
- Embed fraud awareness as part of the competency framework for employees.
- Continue joint working arrangements with the Department for Work and Pensions (DWP).
- Minimise the potential for misuse of supported accommodation claim arrangements and funding by providers and related financial organisations.
- Maximise the recovery of fraudulent payments and value for money savings, and work to ensure their value exceeds the in-year budgeted costs of the Counter Fraud Partnership to the Council.
- Report performance on a six-monthly basis to the Head of Customer Services and the Strategic Director (Corporate Services).

## 3.0 Work Programme



The Anti-Fraud and Corruption Plan follows a four-strand approach, which has direct links to the Internal Audit Plan.

### Detecting and investigating fraud

This strand is about detecting fraud, both before and after it has taken place. Major focuses include housing rentals, benefits, council tax and business rates discounts and exemptions, particularly where cross boundary eligibility may occur. It also includes use of technology and information including external data and data matching.

### Preventing fraud

This strand is about developing better controls and procedures and creating an improved anti-fraud culture across key risk areas, such as Right to Buy and supported accommodation.

### Understanding emerging fraud risks

This strand is about working with teams to better understand and minimise their exposure to fraud risks, as well as working in partnership to ensure emerging risks are well understood and planned for.

### Raising fraud awareness

This strand is about preventing fraud through creating a fraud aware culture, through a programme of training and awareness raising within the staff body and wider district. As appropriate this strand also focuses on raising the awareness of successfully prosecuted fraud to highlight the consequences of fraudulent activity and provide a deterrent.

## Detecting and investigating

Activity	What the team will deliver in 2021-2022
<b>Council tax &amp; business rates fraud investigation</b>	<ul style="list-style-type: none"> <li>• Investigate fraudulent claims of council tax discounts, exemptions and reliefs.</li> <li>• Give assurance current processes are sufficiently robust to mitigate fraud risks and conduct periodic validation exercises.</li> <li>• Carry out random property inspections in partnership with the Council's Property Inspector.</li> <li>• Continue to work with NFI, Call Credit and the Derbyshire Partnership.</li> <li>• Work with tracing facilities (LOCTA) for validation purposes, particularly in cross boundary cases.</li> <li>• Apply penalties where required.</li> </ul>
<b>Covid-19 Business Support Grants (BSG)</b>	<ul style="list-style-type: none"> <li>• Investigate fraudulent cases of COVID-19 awards.</li> <li>• Action NFI matches arising from COVID-19 and liaise with other LA's where appropriate.</li> <li>• Liaise with NAFN/NATIS on any fraudulent cases identified.</li> <li>• Undertake post payment checks where required.</li> </ul>
<b>Housing benefit and council tax reduction support investigation</b>	<ul style="list-style-type: none"> <li>• Develop Housing Benefit Matching Service (HBMS) processes and routines within the Integrity and Compliance Team.</li> <li>• Identify cases from HBMS for investigation by trained investigation staff.</li> <li>• Continue to work with NFI.</li> <li>• Identify fraud and apply sanctions.</li> <li>• Give assurance that processes are mitigating risks.</li> </ul>
<b>Right to buy investigation</b>	<ul style="list-style-type: none"> <li>• Further develop checks into applications from tenants to buy their homes.</li> <li>• Routinely assess all new applications for veracity of deposit and application.</li> <li>• Identify instances of fraud and apply sanctions.</li> <li>• Give assurance that processes are mitigating risks.</li> </ul>
<b>Social housing investigation</b>	<ul style="list-style-type: none"> <li>• Further develop arrangements to identify tenants no longer living in rented SDDC accommodation and subletting or leaving empty for lengthy periods.</li> <li>• Work with housing team to provide intelligence and assist with potential tenancy breaches/fraud.</li> </ul>
<b>Joint DWP investigations</b>	<ul style="list-style-type: none"> <li>• Carry out joint investigations with the DWP as appropriate.</li> </ul>

## Preventing fraud

Activity	What the team will deliver in 2021-2022
<b>Improve internal processes to ensure fraud prevention is embedded in operating procedures.</b>	Support teams to review processes and promote improved controls and highlight any new emerging key risk areas.
<b>Supported accommodation extra checks</b>	<p>When a Housing Benefit claimant moves into supported housing, they are exempt from the benefits cap and under occupation rules, as supported housing is considered exempt accommodation. The Council normally receives 100% subsidy from central government for correctly paid Housing Benefit. But in exempt accommodation the rate is sometimes reduced to 60%, or even zero in some circumstances. There is an emerging concern across Derbyshire that legal loopholes in legislation are allowing less scrupulous landlords to develop supported housing, set high housing/rent costs that are way above market rate, and then receive significant levels of Housing Benefit in excess of the costs needed to run the housing/provide additional support. To respond to this, and in partnership with Derby City Fraud Team, the team at South Derbyshire District Council are putting in place the following measures:</p> <ul style="list-style-type: none"> <li>• Making the supported housing application process more robust to ensure all support charges are realistic, verifiable and comparable to other similar organisations.</li> <li>• Checking the legitimacy of some lease agreements with the Council's legal department.</li> <li>• Joining a countywide discussion with neighbouring Derbyshire authorities, to learn from each other, to consider/adopt best practice and to gain representation in discussions with DWP.</li> <li>• Attending training led by top practitioners in this field to adopt best practice and ensure the Council maximises the subsidy it receives.</li> <li>• Raising the importance of the subsidy implications of non-social housing supported exempt accommodation.</li> </ul>
<b>Provide additional checks for right to buy cases</b>	Deliver additional checks to ensure right to buy cases are valid and can progress to full application.

## Understanding emerging fraud risks

Activity	What the team will deliver in 2021-2022
<b>Work with teams and internal audit</b>	Work with heads of service and internal audit to identify new areas of potential weakness/work.
<b>Working in partnership</b>	Work with the local partners and agencies, including Derbyshire Police, through the East Midlands Fraud Group to share best practice and identify emerging fraud risks.
<b>Work with teams across the council</b>	<p>Work with the following teams to minimise their exposure to new and emerging fraud risks:</p> <ul style="list-style-type: none"> <li>• Benefits service re supported accommodation</li> <li>• Allocations team</li> <li>• Revenues team</li> <li>• Right to buy team</li> </ul> <p>Examples of work carried out include introducing new processes and procedures, carrying out visits, undertaking checks and investigating individual cases – for example charges levied by supported accommodation to ensure services provided match costs charged.</p>

## Raising fraud awareness

Activity	What the team will deliver in 2021-2022
<b>Raise awareness of fraud to build a fraud aware culture</b>	Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples.
<b>Continue to develop fraud awareness training for all staff.</b>	Embed fraud awareness training into the Council's new training and development plan, and ensure it includes bribery and money laundering. Deliver both basic and enhanced training virtually and face to face (if/when allowed).
<b>Raise awareness of fraud to build a fraud aware culture.</b>	Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples. Where appropriate promote successful prosecutions to highlight the consequences of fraudulent activity and provide a deterrent
<b>Make it easy for staff, members and customers to report suspected fraud.</b>	Deliver an online portal that allows staff, members and customers to easily report suspected fraud.

ENDS