



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Audit and Governance Committee: Wednesday 23 November 2022
Report Number	Agenda Item No. 7
Subject	Counter Fraud and Enforcement Unit Report
Wards affected	All indirectly
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	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 biannually. 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	Annex A – Work Plan 2022/2023
Recommendation	That the Committee considers the report and work plan at Annex A.
Corporate priorities	Modern Council Services and Sustainable Finance: Delivering excellent modern services whilst ensuring the financial sustainability of the Council.
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.

1. BACKGROUND

- 1.1. 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 a Councillor.
- 1.2. 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 priorities and community plans.
- 1.3. 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.
- 1.4. Work plans have been agreed with the Deputy Chief Executive and the Council's Management. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.5. Attached at Annex A is a copy of the work plan for 2022/2023.

2. MAIN POINTS

2.1. Counter Fraud and Enforcement Unit Update

- 2.2. The CFEU continues to support work streams relating to the Post Payment Assurance Activities directed by the Department for Business, Energy and Industrial Strategy and the Cabinet Office's National Fraud Initiative matches.
- 2.3. The CFEU have reviewed 225 cases pre and post payment for West Oxfordshire District Council. In relation to pre-payment, the CFEU identified £469,861 of loss prevention in that the grant monies were not paid. Regarding post payment recovery, invoices totalling £572,505 have been raised and of this figure, £242,953 has been recovered. Following the receipt of further evidence and reconsideration of decisions, £60,517 has been credited after review. £269,035 remains outstanding. Examples of these cases relate to payments made to businesses that were not trading at the appropriate date, where premises were in fact empty or where duplicate payments have been made. To provide some context, West Oxfordshire District Council paid out £50,465,394 in business grants between April 2020 and March 2022.
- 2.4. 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 in a data matching exercise 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.
 - 41 matches have been received via the Cabinet Office's National Fraud Initiative which has collated and compared business grant data nationwide in relation to the original schemes paid during the first lockdown. These matches have been reviewed by the CFEU: 40 matches have now been completed and 1 review is still in progress. 3 errors have been identified totalling £23,629 and this figure is included at 2.3 above.
 - The team have received and reviewed 2,049 matches relating to single person discount anomalies. 355 accounts were identified as requiring further enquiries and letters were issued to residents. 126 recommendations have been referred to the Revenues Team, results are pending. An update relating to increased Council Tax revenue and Penalty administration will be provided within the next CFEU report to the Audit and Governance Committee.

- The team have received 201 matches relating to the Council Tax Reduction Scheme and Housing Benefit claims. 182 matches have been reviewed so far, with 9 referrals having been made to the Department for Work and Pensions.
- 161 matches have been reviewed relating to the Housing Waiting List. 86 discrepancies were referred to the Housing Team. This is in addition to the general review of the Housing Waiting List undertaken by the Counter Fraud and Enforcement Unit. 59 Housing Applications were removed from the Housing Waiting List representing £191,160 in loss avoidance.

- 2.5. A significant project since 1 April 2022 relates to supporting the Revenues Team with verification activities for the payment of the £150 Energy Rebate. Since 1 April 2022, the CFEU received 5,935 cases of which 1,539 required further checks and information. This project has required considerable resource; strategically with regard to project planning and operationally in delivering the required verification checks. This has therefore been a time consuming burden impacting delivery elsewhere.
- 2.6. The review of the Housing Waiting List is as reported to the Audit and Governance (then Audit and General Purposes) Committee in April 2022. The team are still awaiting the results of the Gold Band application review and are scheduled to commence a review of the Silver Band applications.
- 2.7. A review of the Track and Trace Payments is ongoing. Since 1 April 2022, 49 payments have been reviewed resulting in 7 cases of recovery totalling £3,500. Overall, 216 payments have been reviewed resulting in 53 cases of recovery totalling £26,500.
- 2.8. The team are working with ERS in relation to the Private Rental Sector Minimum Energy Efficiency Standards (MEES) Project. As part of a national drive, the Council is working with landlords to ensure their properties comply with these standards. Where landlords continue to fail to meet the minimum standards, they may be subject to a penalty of £5,000 for each breach, enforceable by the Council. The team have assisted with the initial review of 622 properties across the district and the related data held regarding the landlord.
- 2.9. In addition to the work carried under the annual work plan attached at Annex A, 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.
- 2.10. Since 1 April 2022:
- The team received 29 referrals from across the Council and closed 37 cases. This excludes any Council Tax Reduction Scheme referrals.
 - The CFEU undertakes Member Code of Conduct Investigations and found that there had been a breach relating to a Town Council matter. A Standards Panel was convened on 18 July 2022.
 - The team supports Enforcement Teams across the Council. A Fixed Penalty Notice totalling £200 was issued in relation to environmental crime. Two enforcement cases are listed in Court, one relating to a breach of a Planning Enforcement Notice and the other relating to Health and Safety at Work Act offences.
 - The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and act as the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. 32 referrals were received and 24 cases were closed. Increased Council Tax revenue of £9,565 has been raised. 2 Civil Penalties and 2 Criminal Penalties totalling £1,678 have been issued.

- The team undertakes disciplinary investigations for Publica across the partnership. 5 cases were referred and 6 cases have since been concluded (1 case was open as at 1 April 2022). In two cases a Final Written Warning was issued due to gross/serious misconduct.

3. FINANCIAL IMPLICATIONS

- 3.1. The report details financial savings generated by the Counter Fraud and Enforcement Unit.

4. LEGAL IMPLICATIONS

- 4.1. 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.

5. RISK ASSESSMENT

- 5.1. The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.
- 5.2. Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.
- 5.3. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

6. EQUALITIES IMPACT

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

7. ALTERNATIVE OPTIONS

- 7.1. This Unit is working with all Gloucestershire Local Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations.
- 7.2. 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.

8. BACKGROUND PAPERS

- 8.1. None.

Annex A: West Oxfordshire District Council Work Plan 2022/2023

Area of Work	Task
Bribery and Corruption	Assessment Template Review
Bribery and Corruption	Gifts and Hospitality Policy and Procedure Rollout / Awareness
Governance	Delivery of two reports for Audit / and Risk / and General Purposes Committee
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance
Governance	Government Functional Standard 013: Counter Fraud - Compliance
Governance	Development of Service Specific Fraud Risk Register (High Risk Service Areas - TBC)
Governance	Development / Review of Fraud Risk Strategy / Response Plan
Policy	Counter Fraud and Anti-Corruption Policy
Policy	Corporate Enforcement Policy
Policy	CTAX, CTRS & HB Penalty and Prosecution Policy
Policy	Proceeds of Crime & Anti-Money Laundering Policy
Policy	Whistle-Blowing Policy
Policy	RIPA (Surveillance & CHIS)
Policy	IPA (Acquisition of Communications Data)
Policy	Use of the Internet and Social Media in Investigations and Enforcement
Procedure	Development and roll out of Proceeds of Crime and Anti-Money Laundering Procedure
Procedure	Development and roll out of Use of the Internet and Social Media in Investigations and Enforcement Procedure
Serious and Organised Crime	Checklist Review
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data

Area of Work	Task
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection SPoC
Strategy : Detection	Housing Waiting List review
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing
Strategy : Detection	Business Rates Review Self Catering Accommodation - Assurance and Enforcement Activities
Strategy : Detection	SMI Review (sample 20)
Strategy : Detection	Procurement - Supplier Payment Review
Strategy : Detection	Council Tax £150 Rebate - Assurance and Enforcement Activities
Strategy : Detection	Test and Trace - Assurance and Enforcement Activities
Strategy : Detection	Business Grants - Assurance and Enforcement Activities
Strategy : Prevention	Development of Fraud Awareness Literature (staff)
Strategy : Prevention	Development of Right to Buy Debt Recovery Process
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / CPIA, PACE, Disclosure Training
Strategy : Prevention	Private Rental Sector Minimum Energy Efficiency Standard (MEES) Compliance and Enforcement

RIPA = Regulation of Investigatory Powers Act 2000

IPA = Investigatory Powers Act 2016

CPIA = Criminal Procedure and Investigations Act 1996

PACE = Police and Criminal Evidence Act 1984