



WEST OXFORDSHIRE  
DISTRICT COUNCIL

## WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 26 SEPTEMBER 2024
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT
Wards affected	All indirectly
Accountable member	Councillor Andy Graham, Leader of the Council Email: <a href="mailto:Andy.Graham@westoxon.gov.uk">Andy.Graham@westoxon.gov.uk</a>
Accountable officer	Madhu Richards, Director of Finance Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a>
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: <a href="mailto:Emma.Cathcart@cotswold.gov.uk">Emma.Cathcart@cotswold.gov.uk</a>
Summary/Purpose	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.</p>
Annexes	None
Recommendation(s)	That Audit and Governance Committee: I. Considers and comments on the report.
Corporate priorities	<ul style="list-style-type: none"><li>Working Together for West Oxfordshire</li></ul>
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Director of Finance.

	<p>Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.</p>
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## **I. 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 Director of Finance 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** 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. MAIN POINTS**

- 2.1** 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.
- 2.2** 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. West Oxfordshire residents will continue to benefit from any communications regarding prevention and awareness through the Counter Fraud and Enforcement Partnership.
- 2.3** 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.
- 2.4** 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 worked with residents and businesses effected to allow claims for the following:
  - Community Recovery Grants – £500 per household – 2 grants were awarded,
  - Business Recovery Grants – £2,500 per business – 0 grants were awarded,

- Council Tax Discounts – 100% discount for a minimum of three months - £1,427 relief was awarded and the Council has been reimbursed by the Ministry of Housing, Communities and Local Government and
  - Business Rate Reliefs – 100% relief for a minimum of three months – no relief was awarded.
- 2.5** The team have assisted with the verification of the Small Business Grant applications, part of the Shared Prosperity Fund workstream overseen by the Economic Development Team. 57 applications were reviewed resulting in the award of 52 grants. Work is now commencing on the Carbon Action Fund.
- 2.6** 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.
- In relation to the 2022/23 data sets, the team received 1,208 matches, all have been reviewed and some results were previously reported.
  - 788 matches related to single person discount anomalies. 38 accounts were updated resulting in increased Council Tax revenue of £24,038 and 21 Civil Penalties, totalling £1,470, being applied.
  - 213 matches related to housing waiting list anomalies. 63 recommendations were issued to the Housing Team resulting in the removal of 54 applications and £231,282 in loss avoidance. 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.
  - In relation to the 2023/24 data sets, 1,075 Council Tax related matches have been received and are currently under review.
- 2.7** Criminal Enforcement, Regulation of Investigatory Powers Act and Investigatory Powers Act refresher training was delivered to the ERS staff. Sessions for all enforcement staff will be delivered during the autumn.
- 2.8** 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.
- 2.9** 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 53 referrals; 17 referrals were declined, and 8 matters were referred to the Department for Work and Pensions. The remaining referrals are being dealt with by the team.

**2.10** Since 1 April 2024, the team have opened 13 cases and closed 18 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.

- Work undertaken with the ERS Team in relation to environmental crime resulted in a Fixed Penalty Notice being issued totalling £200 and a warning being issued to a member of the public in relation to animal welfare.
- Work undertaken with the Revenues Team resulted in the removal of 3 incorrect Council Tax discounts/exemptions and 1 property being brought into ratings. Increased Council Tax revenue totalling £2,419 and a Civil Penalty for £70 being applied.

**2.11** 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 1 case was opened, and 4 cases were closed.

- Increased Council Tax revenue of £8,063 has been raised.
- 1 Civil Penalty totalling £70 has been issued and 1 Criminal Penalty totalling £1,000 was accepted.
- A Councillor was prosecuted. The individual pleaded guilty and received a Fine for £1,119 and was ordered to pay costs of £1,000.

**2.12** 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.

**2.13** 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.

### **3. ALTERNATIVE OPTIONS**

**3.1** The CFEU is working with all Gloucestershire Local Authorities, West Oxfordshire District Council, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.

**3.2** The Service is a shared one across the partnership and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

### **4. FINANCIAL IMPLICATIONS**

**4.1** The report details financial savings generated by the Counter Fraud and Enforcement Unit.

### **5. LEGAL IMPLICATIONS**

- 5.1 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.
- 5.2 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.

## **6. RISK ASSESSMENT**

- 6.1 The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 6.2 Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.
- 6.3 If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

## **7. EQUALITIES IMPACT**

- 7.1 The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.
- 7.2 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 as a whole to be protected from crime and other public safety risks.

## **8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

- 8.1 Not applicable.

## **9. BACKGROUND PAPERS**

- 9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- None.

- 9.2 These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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