



Doncaster Council

Report

Date: 24th October, 2019

To the Chair and Members of the
AUDIT COMMITTEE

Relevant Cabinet Member(s)	Wards Affected	Key Decision
n/a	n/a	No

PREVENTING AND DETECTING FRAUD AND ERROR – October 2018 to September 2019

EXECUTIVE SUMMARY

1. This attached Report summarises the work done by the Council during the period October 2018 to September 2019 to prevent, detect and investigate fraud and corruption in line with the Government's *Fighting Fraud and Corruption Locally Strategy* and minimise errors whether caused by fraud or not.
2. The report shows that the overall incidence of fraud remains very low in general terms, taking into account the scale of the Council's activities. Proactive counter fraud activities to prevent and detect fraud and error early continue to be a big focus in the Council's strategy, and the results of the proactive activity now surpass the results of reactive, referral based investigative work.
3. Fraud and error highlighted in the report include:

- 1054 Council Tax Single Persons Discounts cancelled **£265,500**
- 16 prosecutions, 24 cautions / warnings and 26 pending cases relating to blue badge fraud. ----
- 521 Blue Badges cancelled ----
- Housing Benefit – the reinstatement of recovery proceedings for 568 historic benefit overpayment cases after further information was obtained on the claimant. **£144,365**
- 118 people removed from the social housing waiting list. ----

4. Additionally, proactive checks by the Council have prevented (or recovered) duplicate invoice payments of £1,592,700 and made recovery of £29,403 across the Council and its partners St Leger Homes and the Children's Trust.

EXEMPT REPORT

5. This report is not exempt.

RECOMMENDATIONS

6. The Audit Committee is asked to support the production of the Preventing and Detecting Fraud and Error report and agree to appropriate publicity being produced to highlight the outcomes from the Council's anti-fraud activity and to act as a deterrent to fraud.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

7. Fraud and corrupt activity divert scarce resources away from Council services. They cost the tax payer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses and deter fraudulent activity.

BACKGROUND

8. The production of an annual fraud response report, which details the work done to counter fraud and corruption, is in line with good practice recommended by CIPFA. In Doncaster, we take that further and include detected error and recoveries in our reporting, hence the production of an annual Preventing and Detecting Fraud and Error report. Doncaster Council adopts a risk based approach to fraud and seeks to educate staff on identifying fraudulent behaviour, educate managers to assess the risks of fraud in their areas and to detect and investigate fraud where it is identified. The Council's commitment to combatting fraud and corruption is contained in the Anti-Fraud and Corruption Framework which is approved by the Audit Committee and is due for review in July / October 2020 in line with expected revisions to the Government's Fighting Fraud Locally Strategy which are due in 2020.

OPTIONS CONSIDERED

9. Not applicable

REASON FOR RECOMMENDED OPTION

10. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<p>No implications.</p>
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>Fraud and error reduces the money available to the public purse and, therefore, has an impact on the Council's ability to provide services and develop Doncaster for its citizens.</p> <p>Blue badge fraud has a direct negative impact on the available parking spaces in the town centre for individuals with reduced mobility.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	<p>No implications</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p>	<p>No implications.</p>

	<ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	<p>Error and fraud against the Council directly affect the public purse by reducing the amount of monies available to the Council to provide services and improvements for Doncaster citizens.</p>

RISKS AND ASSUMPTIONS

11. Failure to address fraud and corruption risks causes:-

- reputational damage to the Council from fraud and corrupt practices;
- diverts scarce resources away from priority services to the detriment of our citizens.

LEGAL IMPLICATIONS [Officer Initials NC Date 4.10.19]

12. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in this report under the requirements of the Government's Transparency Agenda which assists the Council in demonstrating it is delivering value for money. This information will be published on the Council's website.

FINANCIAL IMPLICATIONS [Officer Initials AT Date 04/10/19]

13. The costs of the publicity to highlight anti-fraud work of the Council will be met from existing budgets and so will not put further pressure on the Council's budgets.

14. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery at a time of increased

budgetary pressure and service demands, as the examples highlighted below reflect.

15. The cancellation of Single Person's Discount of £265k has meant the Council Tax element of the Collection Fund is estimated to increase and will provide an on-going benefit to the Council. The Council is seeking to recover £144k from over-paid housing benefit which if recovered will provide a one-off benefit to the Council. £5,593k of payments were prevented from being incorrectly paid or have been recovered, which would have otherwise have put further pressure on the Council's revenue budget.

HUMAN RESOURCE IMPLICATIONS [Officer Initials...KG..... Date...04/10/19.]

16. Whilst there are no resource implications directly caused by this report, there are implications for Human Resources where employees undertake fraud, (or are alleged to have undertaken). In these cases, Human Resources are involved in all investigations to ensure that these are conducted properly, and appropriate and timely action is taken against the employee.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW Date...04/10/19]

17. There are no technological implications as per the attached.

HEALTH IMPLICATIONS [Officer Initials...RS..... Date.....04/10/2019.....]

18. There are no direct health implications in this report. Effective audit and governance should contribute to improved health and wellbeing by maximising the effectiveness of public spending. Preventing and detecting fraud and error is a contributor to good governance.

EQUALITY IMPLICATIONS [Officer Initials NFW - Date04/10/19]

19. Every citizen in Doncaster is affected by fraud both as a result of fraud committed against them and fraud committed against the Council. Whilst every citizen is affected, fraudsters generally target citizens with protected characteristics such as the young, the elderly, those with mental health issues or those with learning disabilities. Similarly, reductions in the Council's spending power as a result of fraud and error reduce monies available to support Doncaster Citizens. Whilst every citizen is again affected by this, groups with protected characteristics are the most vulnerable to these affects as they access a higher proportion of Council services.

CONSULTATION

20. None

BACKGROUND PAPERS

21. The Council's Anti-Fraud and Corruption Framework (available on the Council's website and approved by the Audit Committee).

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

22. All abbreviations and acronyms are written in full in the report with their abbreviations used only after the first instance. Items used are:

- NFI – National Fraud Initiative
- DWP – Department of Work and Pensions
- IPCO – Investigatory Powers Commissioner’s Office
- CTRS Council Tax Reduction Scheme
- SFIS – Single Fraud Investigation Service (the benefits fraud investigatory arm of the Department of Work and Pensions)
- HBDS – Housing Benefits Debt Service
- DEA – Direct Earnings Attachments

REPORT AUTHOR & CONTRIBUTORS

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Appendices

Appendix 1 – Preventing and Detecting Fraud and Error – October 2018 to September 2019

Debbie Hogg
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