



devon**audit**partnership

Counter Fraud Services

# Counter Fraud Services

## Half Year Report 2021 - 2022

### Plymouth City Council Audit & Governance Committee

Date November 2021

CUSTOMER  
SERVICE  
EXCELLENCE



Support, Assurance & Innovation

## 1. Executive Summary

- 1.1 The following report is a half year summary of the counter fraud work undertaken in support of Plymouth City Council in its continued efforts to counter fraud, ensuring that appropriate Governance processes are in place in order to acknowledge the threats posed by fraud, prevent and pursue those who would look to commit fraud and provide assurance that the Council and the public are being protected from fraud. In the first six months of this year the [Counter Fraud Services Team](#) have –
- 1.2 Updated the Anti-Fraud Bribery and Corruption Policy and the Anti-Fraud Bribery and Corruption Strategy and Response Plan to reflect the latest recommended best practice in accordance with the [Fighting Fraud and Corruption Locally Strategy for the 2020's](#).
- 1.3 Received and processed 121 allegations of fraud and related offences against the Council and its citizens, generating savings of £533,214.65 in all areas of Council business.
- 1.4 Undertaken Blue Badge enforcement exercises with the Council's Parking Team in order to continue to highlight and discourage this high profile area of offending.
- 1.5 Supported the Council's Procurement Team with fraud awareness training.
- 1.6 Supported the Council's commitment to the National Fraud Initiative, by checking matches and supporting the relevant departments accordingly.
- 1.7 Checking COVID 19 Grant entitlement and providing recommendations where appropriate.
- 1.8 This is another positive half yearly report which shows the genuine commitment from the Council to minimise the impact and losses of fraud.

## 2. Introduction

- 2.1 Counter Fraud work has continued throughout the current year in conjunction with the rest of the wider Devon Audit Partnership (DAP) Team. We have supported Plymouth City Council in enabling and supporting Council business at these unprecedented times to ensure that services are provided to those with genuine entitlement.
- 2.2 It is always worth reiterating that fraud is by definition a crime and should not be tolerated. Any fraud against Plymouth City Council is a fraud against the public purse and therefore we will continue to acknowledge the threat from fraud, build processes and policies that will prevent fraud and pursue those who would commit fraud to ensure that the public retain confidence in the Council. Collaboration across the public sector will continue and strengthen under the current working arrangements through DAP and its partners.
- 2.3 Reported fraud levels continue to rise nationally with increased focus on 'Cyber Enabled' and 'Cyber Dependant' Fraud / Crime coming to the fore. Traditional forms of fraud however continue to change and adapt and therefore Local Authorities need to maintain a high level of vigilance and flexibility in response to all fraud in its various forms.

## 3 Updated Anti-Fraud Bribery and Corruption (Policy and Strategy)

- 3.1 Policies and accompanying Strategies and Response Plans are the foundation stones of any Councils processes and practices. They must be created, updated and used as a living document. The Anti-Fraud Bribery and Corruption Policy and the accompanying Strategy and

Response Plan have now been updated in line with the changes to the national best practice document Fighting Fraud and Corruption Locally. The DAP Counter Fraud Team contributed to the creation of the document and the Counter Fraud Manager is active on the Fighting Fraud and Corruption Locally 'Regional Group'. This ensures that all current and emerging risks are highlighted to the Council at the earliest possible point in time.

#### **4 Allegations / Referrals**

- 4.1 The Counter Fraud Team have received 121 referrals so far this financial year. These referrals come from the public, other Government and Local Government organisations as well as from officers of the Council itself.
- 4.2 As part of its ongoing commitment to countering fraud in Plymouth, the Counter Fraud Services Team have 155 live investigations and continue to undertake investigations and compliance activity in the following areas:
- COVID 19 Grant Fraud
  - Council Tax Support / Single Person Discount
  - Blue Badge misuse
  - Social Housing Fraud (involving our partner Registered Social Landlords)
  - Client Financial Fraud (Special guardianship)
  - Internal
  - Concessionary Travel
- 4.3 The team will continue to investigate all and any allegations of fraud affecting the Council and will also continue to highlight emerging fraud trends and areas of concern in order to prevent loss occurring in the first place.

#### **5. Recordable savings**

- 5.1 The first six months of 21/22 have identified £533,214.65 worth of savings across the Council and it is anticipated that further comparable savings will be realised in the coming six months.
- 5.2 In the 6.5 years that the Council has been recording 'Cashable and Non Cashable' savings related to fraud it has achieved £7,322,139.30 in savings across all areas of business. This is a significant sum and justifies the Council's robust approach to countering fraud and re-assures the general public that Plymouth City Council is serious about protecting the public purse and its assets.
- 5.3 Fraud is by its very nature a hidden offence and therefore it must be assumed that the savings made and shown here are potentially the 'tip of the iceberg' and that further savings are obtainable. The more assets that are available to address this ever growing issue, the higher the potential savings figures will be in the future. **See Appendix B**

#### **6. Blue Badge Enforcement**

- 6.1 Plymouth City Council administers the Blue Badge scheme for Plymouth residents on behalf of the Department for Transport. A Blue Badge allows people with severe mobility problems caused by visible and non-visible disabilities to access goods and services, by allowing them to park closer to where they need to go. The scheme is open to eligible people who travel as a driver or as a passenger.
- 6.2 The Council has a proven track record in dealing with this type of offending and has over the years appropriately prosecuted those guilty of the most serious types of offending in this area.

6.3 The Team has assisted the Parking Department in three separate operations so far this year to highlight Plymouth City Councils zero tolerance approach to fraud. The Civil Enforcement Team on the three separate operations checked a total of 132 Blue Badges, resulting in 5 fraud referrals being received. This would seem to indicate that the message has been received by the majority of those parking in Plymouth utilising the Blue Badge Scheme, however a 3.8% potential misuse remains an unacceptable level of abuse and further operations will be supported throughout the year to ensure that the message remains clear.

## **7. Other ongoing support work**

7.1 The Counter Fraud Services Team have supported the Councils Procurement Team with a fraud awareness training session to support and comply with the latest guidance from HM Government in line with the latest [Review into the risks of fraud and corruption in local government procurement](#) that all procurement staff (specifically) should have Anti-Fraud and Corruption training. This support will continue throughout the year.

7.2 [The National Fraud Initiative](#) (NFI) checks continue in affected departments and any allegations of fraud pertaining to these checks is, and will be, investigated. To date, 82 Blue Badges have been cancelled with an estimated saving of £47,150 and 540 concessionary bus passes were cancelled with an estimated saving of £12,960 (Cabinet Office figures used, not included in the CFST total savings in section 5 above, as the work is undertaken by the Council departments concerned). However, the removal of these Blue Badges and Travel Passes reduces the Council's exposure to fraudulent misuse and is therefore included in this report. (DAP oversee the NFI submission and matches). Other preventative work continues, linked with, or instead, of using the NFI.

7.3 The team continues to investigate COVID 19 Support Grants that have potentially been claimed fraudulently. The team liaises with the [National Anti-Fraud Network](#), (NAFN) [Action Fraud](#) and the [Department for Business, Energy & Industrial Strategy](#) (BEIS) to ensure that there is a consistent approach to counter fraud in this area across the country.

## **8. Conclusion**

8.1 Plymouth City Council continues to lead in counter fraud especially in the South West Region. It is assisting in the fight against fraud at a national level by its ongoing commitment to the Counter Fraud Services provided through Devon Audit Partnership.

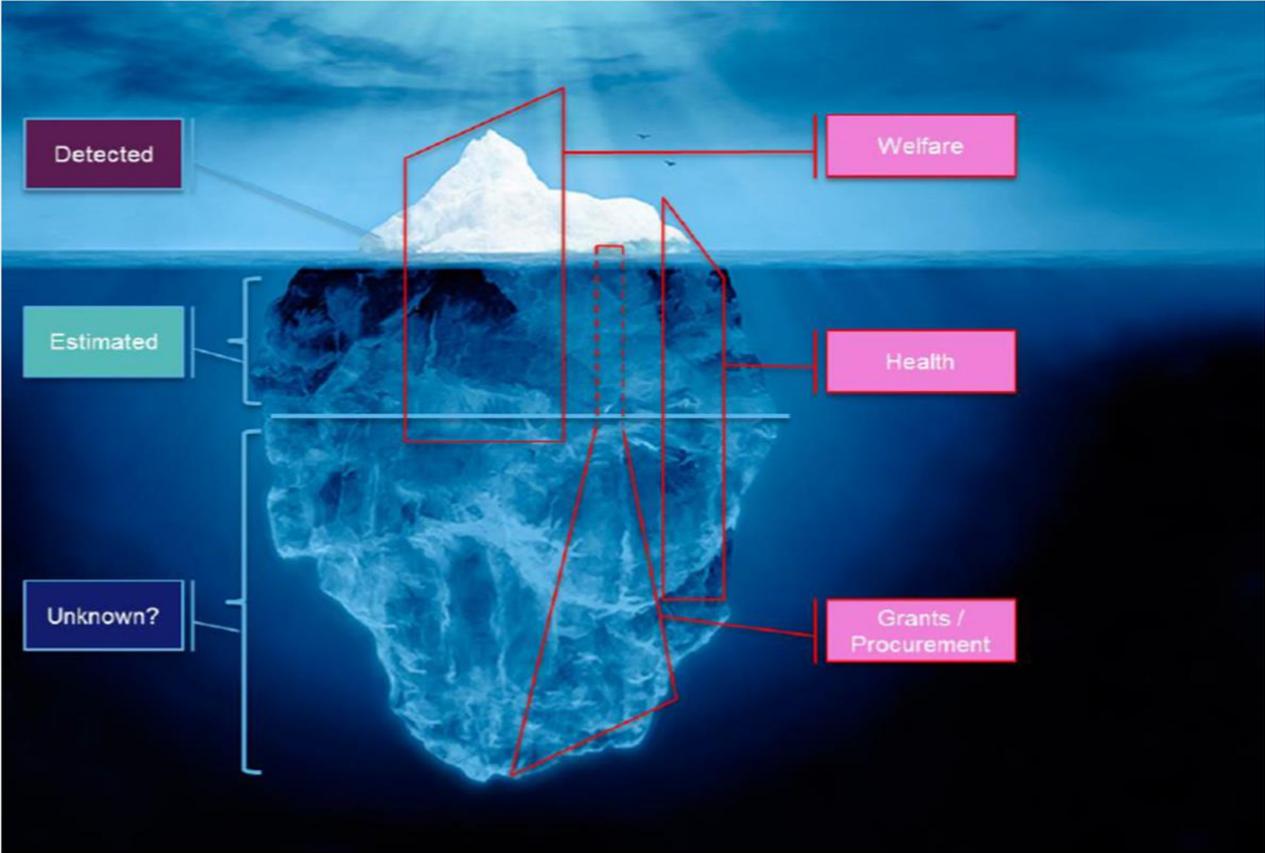
8.2 The team are committed to ever increasing support for the Council by liaising with the 'Risk' and Democratic Support leads within the Council to further strengthen the already significant good work that the Council supports.

8.3 It is important that the Council's ongoing support and commitment is recognised at a time where every penny counts and fraud losses must be viewed as unacceptable and an unnecessary drain on the public purse.

8.4 A full contact list for DAP Counter Fraud Services is available on Appendix A

**Devon Counter Fraud Services Contacts**

| <b>Name</b>                                 | <b>Position</b>                       | <b>Telephone</b>    | <b>Email</b>  |
|---|---------------------------------------|---------------------|---|
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| <b>Fraud referral email address</b>         |                                       |                     | <a href="mailto:Corporatefraud@plymouth.gov.uk"><u>Corporatefraud@plymouth.gov.uk</u></a>         |
| <b>Tenancy Fraud referral email address</b> |                                       |                     | <a href="mailto:socialhousingfraud@plymouth.gov.uk"><u>socialhousingfraud@plymouth.gov.uk</u></a> |
| <b>Fraud Telephone referrals</b>            |                                       | <b>01752 304450</b> |   |



The Fraud loss Iceberg (HM Government)