

Report to Audit and Governance Committee



Date of Meeting	23 rd June 2020
Portfolio	Cabinet Member for Resources
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Public/Private Document	Public

Counter Fraud Prosecutions and Sanctions Policy

Executive Summary

- 1.1 The Counter Fraud Prosecution and Sanctions Policy brings together a range of legislation which provides a full range of sanctions, penalties and prosecution available to the Council to support an effective deterrent regime against fraud and corruption. This forms part of the wider Anti-Fraud and Corruption Policy.
- 1.2 The Policy has now been updated to include processes to respond to the risk of blue badge fraud and is now presented to the Audit and Governance Committee for review and consideration. This is in the context of their power to review the adequacy of the Anti-Fraud and Corruption Policy, and related policies and procedures, to ensure their application and effectiveness.

Recommendation

2. To recommend that Cabinet approve the updated Counter Fraud Prosecution and Sanctions Policy.

Reason for Recommendation

3. This is in the context of power of the Audit and Governance Committee to review the adequacy of the Anti-Fraud and Corruption Policy, and related policies and procedures, to ensure their application and effectiveness to support the Council's counter fraud activities.

Key Points for Consideration

- 4.1 The Counter Fraud Prosecution and Sanctions Policy brings together a range of legislation which provides a full range of sanctions, penalties and prosecution available to the Council to support an effective deterrent regime against fraud and corruption. The current Policy, which forms part of the

Council's wider Anti-Fraud and Corruption Policy, was last approved by Cabinet on 11 July 2016. The Policy was revised at that time to reflect changes brought about by the migration of housing benefit fraud investigations to the DWP, as part of the creation of the Single Fraud Investigation Service.

- 4.2 The Counter Fraud Team within Finance has operated to this Policy in the prevention, detection, deterrence and investigation of revenues and benefits fraud. To support this activity there are various legislative powers available to the Council to actively consider applying sanctions and/ or prosecutions in all cases of fraud. The relevant legislation is referenced in the Policy.
- 4.3 The Disabled Persons' Parking Badge Scheme was introduced in 1972, under Section 21 of the Chronically Sick and Disabled Persons Act 1970. Under this scheme if you or a child you care for is disabled or has a health condition which affects your mobility, you can apply for a Blue Badge. You can also apply for a Blue Badge if you suffer from a hidden disability. However, it is against the law to use a cancelled, expired, fake or deceased persons Blue Badge, to use a Blue Badge without the badge holder present or to obtain a blue badge through providing false information. The Counter Fraud Team have the power to investigate under these circumstances.
- 4.4 Presently, the majority of the Blue Badge fraud referrals received are from the general public or the Revenues and Benefits Blue Badge Team. To capture more Blue Badge fraud within the Rochdale Borough, the Counter Fraud Team would like to work alongside the traffic wardens. The new Blue Badge Policy outlines how this will be done, as well as explaining any action that can be taken if a Blue Badge fraud has been committed. This will now form part of the Counter Fraud Prosecution and Sanction Policy.
- 4.5 Due to the current COVID-19 situation there may be a delay on initiating the work with the traffic wardens. In addition, guidance produced by the British Parking Association, London Councils and Local Government Association has been issued to Local Authorities regarding penalty charge notices. There is an acceptance there may be delays on renewing Blue Badge applications and therefore it is recommended penalty charge notices are not given to those displaying a Blue Badge with an expiry date of 1st January 2020 onwards. This will be reviewed on 30th September 2020.
- 4.6 The revised Policy is attached as Appendix 1 with the main areas of change highlighted in red. The main changes are in Section 12 associated with the approach to blue badge fraud.

Alternatives Considered

- 4.7 In view of the above, no other alternatives were considered.

Costs and Budget Summary

5. The Policy provides a clear framework with regard to sanctions and prosecutions to enable the Service to protect funds that it administers. There are no direct financial implications arising from this Policy.

Risk and Policy Implications

6. The lack of a Counter Fraud Prosecution & Sanctions Policy would expose the Council to the risk of not being able to effectively combat fraud and corruption.

Consultation

7. The new Policy has been shared and discussed with stakeholders including RBC Legal, Parking Enforcement, Revenues and Benefits Blue Badge Team and Internal Audit. They are all satisfied with the amended policy to include detail on Blue Badge investigations. Advice has also been sought from other Greater Manchester Counter Fraud Teams, who have adopted a similar approach.

Background Papers	Place of Inspection
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| 8. None | |
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