

Report to Audit and Governance Committee



Date of Meeting	27 September 2021
Portfolio	Cabinet Member for Resources
Report Author	Louise Steel
Public/Private Document	Public

Counter Fraud Team Quarter One Report 2020/21

Executive Summary

- 1.1 This report summarises the work of the Counter Fraud Team during the first quarter of 2021/22.
- 1.2 The Counter Fraud Team have received 170 referrals during the period and have achieved £87,161 in overpayments and savings.
- 1.3 Covid-19 continues to account for a significant amount of the Counter Fraud Team's time and resource with over 1380 businesses being reviewed.
- 1.4 90 allegations of COVID-19 business grant fraud are under investigation.
- 1.5 60 allegations relating to Test & Trace were also investigated.
- 1.6 In addition to this, The Counter Fraud Team have carried out reviews relating to the 2018/19 NFI Housing Benefit and Council Tax Support and have found £20,000 in overpayments, with 2 remaining as outstanding.
These checks are carried out bi-annually.
- 1.7 The impact of the pandemic had meant that interviews under caution were suspended on health & safety grounds and have recommenced during quarter two.

Recommendation

2. That the report be reviewed and noted.

Reason for Recommendation

3. This report is to enable the Audit and Governance Committee to scrutinise Counter Fraud coverage during the first quarter of 2021/22.

Key Points for Consideration

4. **Performance**
 - 4.1 A total of 170 fraud referrals were received in the first quarter of this financial year, compared to 175 from the same period in 2020/21.

The main sources of these referrals came from the National Fraud Initiative (NFI), the Partnership Enforcement Team, anonymous information and RBC employees.

A significant number of these do not progress to formal investigation by the team as they are either passed to the DWP or closed due to apparent malicious intent or the fact that there is not enough information to progress the matter.

- 4.2 The Counter Fraud Team achieved £87,161 in overpayments and savings throughout quarter one, compared to £2,212 the previous year.

(N.B. the onset of the Pandemic during quarter one last year meant that the Counter Fraud Team supported the distribution of the Small Business and Retail, Hospitality and Leisure Grants).

5 **Covid-19 Fraud**

- 5.1 Through-out the first quarter of 2021/22, the Counter Fraud Team have been conducting business and bank fraud pre-payment checks for businesses that applied for a business restart grant.

The checks have included using a tool called Spotlight and a tool provided by the National Fraud Initiative (NFI) to check the validity of bank details provided.

Those businesses deemed to be of higher risk were visited or asked for additional information by The Counter Fraud Team.

The Counter Fraud Team have checked over 1380 businesses.

- 5.2 The Counter Fraud Team have also continued to deal with fraud work related to COVID-19, including allegations of fraud arising from the Pandemic.

90 allegations of COVID-19 business grant fraud have been received, all of which are being investigated.

- 5.3 The Counter Fraud Team have started to receive allegations of Test and Trace Support Payment Fraud and are currently investigating over 60 allegations.

6 **National Fraud Initiative (NFI)**

- 6.1 The Counter Fraud Team is one of several sections within the Council that have an important role to play in checking data matches that are received from the NFI.

The Team have received the 2020 NFI Single Person Discount, Council Tax matches and are waiting for a further data match to take place, before checking any of the matches.

- 6.2 The NFI Housing Benefit and Council Tax Support work from 2018/2019 has been completed.

The high risk matches have been checked and we currently have 2 open investigations.

To date, the Counter Fraud Team have found over £20,000 in overpayments from these NFI matches.

- 6.3 The Housing Benefit and Council Tax Support matches for 20/21 have been received and checks on the various reports have commenced.

- 6.4 NFI have also produced three reports in respect to the COVID-19 Business Grants: The Discretionary Grants, Small Business Grants and Retail, Leisure and Hospitality Grants.

The Counter Fraud Team are currently checking the data matches.

7 Partnership Enforcement Team (PET)

- 7.1 The Counter Fraud Team not only investigates cases of fraud, but also provides a wealth of advice across the Council to services and to external bodies including immigration and the police.

Replies have been made to 106 Data Protection Requests from April 2021 to June 2021, not including the work that is completed in the PET.

- 7.2 Referrals from different teams are brought to the PET weekly meeting each Monday to discuss and work on together.

A combination of intelligence, skills and powers from the different enforcement agencies are used to prevent and detect fraud within the Borough.

Currently the following cross-agency teams attend the weekly meeting: GMP – Organised Crime Team; Divisional Tasking Team, Rochdale BC – Children’s Services; Community Cohesion & Equality; Community Safety; Fraud; Public Protection; Strategic Housing, DWP – Fraud, RBH – Enforcement, Fire Service officials.

- 7.3 The Counter Fraud Team also dealt with over 30 ‘police checks’ on Rochdale BC systems, to help the police trace alleged offenders and absconders.

- 7.4 The Counter Fraud Team continue to participate in days of action and proactive visits resulting in savings being generated in respect of Council Tax, Business Rates, Housing Benefit and Council Tax Support.

Costs and Budget Summary

- 13 Not applicable.

Risk and Policy Implications

- 14 The work of the Counter Fraud Team helps protect the assets and interest of both the authority and people of Rochdale through ensuring that relevant policies are up to date, and followed, and by also looking to recoup any payments made through inappropriate means.

Consultation

- 15 The recommendations and actions arising from the work of the Counter Fraud Team are agreed followed through to an appropriate conclusion.

Background Papers	Place of Inspection
None	N/A

For Further Information Contact:	Louise Steel 01706 926083 louise.steel@rochdale.gov.uk
----------------------------------	--