

CABINET

HEAD OF FINANCIAL SERVICES

4 APRIL 2017

REPORT NO. FIN1717

KEY DECISION? NO

REVIEW OF CORPORATE INVESTIGATIONS TEAM

SUMMARY AND RECOMMENDATIONS:

This report follows report AUD1503 'Prevention and Detection of Fraud – New Approach' that was presented to Cabinet on 28 July 2015.

This report sets out the work undertaken by the Council's Investigations Officers during January 2016 to March 2017. It covers the benefits of their work (qualitative and quantitative) and how it supports the Council's key priorities and 8-Point Plan.

Members are requested to note the coverage, outcomes and benefits of the work. Based on this data Members are recommended to confirm the retention of the two posts.

1. INTRODUCTION

- 1.1 In report AUD1503, Cabinet considered the work of the Investigations Team, an integral part of the Council's Revenues and Benefits service, and the effect on the team of various regulatory changes. Cabinet also considered the organisations future requirements for anti-fraud and investigatory resources.

2. BACKGROUND

- 2.1 The Single Fraud Investigative Service (SFIS) was introduced in October 2015, with the intention that the investigation of Housing Benefit Fraud would transfer to the Department for Work and Pension (DWP), thereby directly affecting the work of the Investigations Team.
- 2.2 However, the slow roll-out of Universal Credit has meant that the Council is still dealing with a significant Housing Benefit caseload, while the introduction of a Localised Council Tax Support Scheme added another area of risk for the Council.
- 2.3 Rushmoor felt that investigatory skills were still required internally so retained two Investigation Officers, while deleting one post. The two positions

continued 'business as usual' work as well as venturing into other corporate anti-fraud and corruption work that added organisational value.

- 2.4 The Cabinet agreed to trial this approach for 18 months with the pilot covering January 2016 to March 2017. The pilot has been monitored throughout the period with the outcomes now being reported to Cabinet in order to formalise arrangements moving forward.

3. DETAILS OF THE PROPOSAL

General

- 3.1 The Investigation Officers have specialist skills combined with extensive experience. These skills, qualifications and connections include:

Professional qualifications

Accredited Counter Fraud Specialist - Professionalism in Security

- Investigation Legislation
- Investigation Procedures, Liaison, Intelligence, Organisation and Planning
- Rules for Disclosure – Exhibits
- Investigative Interviewing
- Surveillance Skills
- Photographic and Video Evidence Techniques
- Courtroom Procedures

Authorised Officer Training

- Police and Criminal Evidence Act 1984 (PACE) 1984
- Criminal Procedure and Investigations Act (CPIA) 1996
- Regulation of Investigatory Powers Act (RIPA) 2000
- Data Protection Act 1998
- Telecommunications (Lawful Business Practice) Interceptions of Communications Regulations 2000
- Human Rights Act 1998

Meetings and Groups

- Tenancy Fraud Forum with Hampshire Authorities and Social Landlords
- Hampshire Audit Fraud Group
- National Anti-Fraud Network

Courses and Training

- ACAS Corporate Investigations
- Evidence Gathering Refresher
- ACAS Recruitment and Selection
- Witness Statement training
- RIPA training
- Twitter training

- 3.2 The pilot scheme enabled the Council to use these skills in a wide range of anti-fraud, governance and corporate priorities work. These are set out in

detail in Appendix A with supporting photos as Appendices B and C, but summarised below:

AREA OF WORK	ACTIVITY COVERED
Revenue and Benefits	Council Tax Support compliance
	Single Person Discount compliance
	Housing Benefits compliance
	Sales Ledger old debt recovery
	Business Rates Avoidance
	DWP single point of contact
National Fraud Initiative	Preparation of data matching
	Single person discount matches
	Biennial data match exercise
Cross-Service Working	Rough Sleepers
	Street Drinkers
	Rogue Landlords
	Homelessness
	Tree Preservation Orders
	Planning Enforcement
	Fly Tipping
	Empty Properties
Working with partner organisations	Housing Tenancy Fraud
	Multi Agency meetings
Corporate Work	Corporate Sanction Policy
	Staff and Members Showcase
	Internal Investigations
	Sharing knowledge and intelligence

Over a 12-month period, this work has resulted in financial savings to the Council of £267,939, with over 2,300 individual cases being looked at. This means the savings they make more than cover the cost of employing the two Investigation Officers.

The budget for the team in 2017/18 (excluding any support services or capital charges) is £98,120.

- 3.3 The qualitative benefits are also significant, but can broadly be described as:
- Improved corporate governance
 - System controls and process improvement
 - Proactive, rather than reactive, anti-fraud work
 - Meeting statutory and legislative requirements
 - Cross service working to achieve a corporate response
 - More efficient use of resources to address corporate issues
 - Resources directed to corporate priorities and high risk areas
 - Working collaboratively with partner organisations
 - Customers receive a joined up service from 'one council'
- 3.4 The pull from the organisation was significantly more than anticipated, Therefore the following areas of work planned for the pilot have not yet been addressed, but are planned for the completion during the next 12 months:

- Licensing
- Noise pollution
- Procurement – working with audit
- Pre recruitment checks

In addition, other areas of work have been identified and are planned to be covered in the near future. These include:

- CPO prosecutions review in liaison with internal audit
- Move to 100% Business Rates Retention Scheme
- Market Traders' licensing

- 3.5 The data collected during the pilot period demonstrates the benefits, both qualitative and quantitative, and extent of work that the Investigation Officers provide. Therefore, it is recommended to retain both posts permanently.
- 3.6 The Head of Financial Services is reviewing the structure of activities in the service that support corporate governance. These include internal audit, risk management, investigations and corporate enforcement. The proposed structure will be developed and reported on during the next 6 months.

Alternative Options

- 3.7 Alternative options to the recommended way forward above are to retain only one Investigation Officer, or not to retain any Investigation Officers.
- 3.8 The risks associated with either of these options are:
- Lack of resilience for anti-fraud work, investigations and enforcement
 - Not meeting statutory requirements such as NFI
 - A loss of assets and resources due to fraud, corruption and error
 - All monies due are not identified, billed for and collected
 - Unaddressed breaches of policy and legislation
 - The external auditor may deem that the Council's control environment is not adequate

Consultation

- 3.9 Updates have been given to the Corporate Services Portfolio holder prior to, and during, the pilot period. Consultation and input has been sought from relevant officers on the recommended way forward.
- 3.10 Following this report to Cabinet, the outcome will be reported to the Licensing and General Purposes Committee in their role as 'those charged with governance', having oversight of corporate governance arrangements.

4. IMPLICATIONS

Risks

- 4.1 There are no risks associated with the recommended course of action. Risks relating to alternative options are set out above.

Legal Implications

- 4.2 There are no legal implications.

Financial and Resource Implications

- 4.3 The salaries and on costs for the two Investigation Officers are already in the necessary budgets going forward. Therefore, there are no financial implications.

Equalities Impact Implications

- 4.4 There are no equalities impact implications.

5. CONCLUSIONS

- 5.1 Based on the information above it is concluded that the retention of two Investigations Officers is the recommended way forward.
- 5.2 Cabinet are requested to review the contents of the report and agree the way forward.

BACKGROUND DOCUMENTS:

None

CONTACT DETAILS:

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APPENDIX A

AREA OF WORK	DESCRIPTION OF WORK	QUALITATIVE BENEFITS	QUANTITATIVE BENEFITS
REVENUE AND BENEFITS			
Council Tax Support	<ul style="list-style-type: none"> Referrals from general public Internal referrals Unannounced visits Residency checks 	<ul style="list-style-type: none"> Improves governance Proactive anti-fraud work 	<ul style="list-style-type: none"> £16,686 saved in last 12 months 77 claims stopped or corrected
Housing Benefits Compliance	<ul style="list-style-type: none"> Referrals from assessors Compliance checks on benefit claims Visit claimants to verify information Work with assessors to stop claims Refer specific cases to DWP 	<ul style="list-style-type: none"> Improves governance Proactive anti-fraud work 	<ul style="list-style-type: none"> £85,498 for last 12 months 35 claims stopped (since August 16)
Sales Ledger	<ul style="list-style-type: none"> Visit debtors to chase outstanding monies 	<ul style="list-style-type: none"> Support recovery of old debt 	<ul style="list-style-type: none"> £366.00 paid following visits 5 visits made 2 arrangements made after visits
Business Rates Avoidance	<ul style="list-style-type: none"> Site visits Intelligence gathering Evidence and case files for court Liaison with other authorities for potential joint working 	<ul style="list-style-type: none"> Improves governance Proactive anti-fraud work 	<ul style="list-style-type: none"> £124,953 rebilled for recovery 4 cases investigated
DWP Single Point of Contact	<ul style="list-style-type: none"> Data checks from iWorld Claimant file checks Provide hard copy documentation Visits from DWP staff Scanning Witness statements with exhibits Court documents Facilitate benefit reassessment 	<ul style="list-style-type: none"> Clarifies information for Council Tax 	<ul style="list-style-type: none"> About 140 emails a year to act on About 17 officer days per year

AREA OF WORK	DESCRIPTION OF WORK	QUALITATIVE BENEFITS	QUANTITATIVE BENEFITS
NATIONAL FRAUD INITIATIVE			
NFI support and preparation	<ul style="list-style-type: none"> · Check, document and issue FPN where required · Maintain and administer system at the Council · Work with services to extract data · Check and validate extracted data · Upload data to the Cabinet Office 	<ul style="list-style-type: none"> · Adhere to legislation · Ensures good quality matches · Direct resources to right areas 	
NFI Single Person Discounts	<ul style="list-style-type: none"> · Filter data matches on all SPD cases · Follow up all high risk cases · Investigate cases where appropriate and act on findings · Liaise with other public bodies to support investigations · Update all Cabinet Office paperwork 	<ul style="list-style-type: none"> · Improves governance · Proactive rather than reactive · Meet statutory requirements · Supports control environment · Covered in external audit 	<ul style="list-style-type: none"> · £29,256 saved in 15/16 exercise · Approximately 1950 matches a year
NFI Biennial Exercise	<ul style="list-style-type: none"> · As above for all mandatory data sets which are: Taxi Licences Personal Alcohol Licences Market Traders Payroll Creditors Housing Register Insurance Residents Parking 	<ul style="list-style-type: none"> · As above · Improved cross-team working 	<ul style="list-style-type: none"> · £8,975 in 14/15
WORKING WITH OTHER SERVICES			
Rough Sleepers	<ul style="list-style-type: none"> · Visits and witness statements · Carry out interviews · Serving legal papers · Cross Service support and co-ordination 	<ul style="list-style-type: none"> · Working jointly with other services to produce an effective corporate outcome 	<ul style="list-style-type: none"> · 2 prosecutions resulting in prison sentences.

AREA OF WORK	DESCRIPTION OF WORK	QUALITATIVE BENEFITS	QUANTITATIVE BENEFITS
	<ul style="list-style-type: none"> . Prepare files for prosecution 		
Street Drinkers	<ul style="list-style-type: none"> . Two current individuals found begging . Cross service support (police, RSL's and other agencies) . Evidence gathering and interviewing . Site visits . Member of public and business visits for statements . Providing witness statements for police prosecutions 	<ul style="list-style-type: none"> . Working jointly with other services to produce an effective corporate outcome 	
Rogue Landlords	<ul style="list-style-type: none"> . Part of the corporate group . Intelligence gathering . Cross-service support 	<ul style="list-style-type: none"> . Working jointly with other services to produce an effective corporate outcome 	
Homelessness Investigations	<ul style="list-style-type: none"> . Undertook a review of a sample of cases . Reviewed process and the validity of each case . Two cases were then looked at in more detail due to issues identified in the first test: <ul style="list-style-type: none"> o 1 case there was no evidence of fraud o 1 case - Benefits service chose not to follow up interview on Council Tax Support due to amount involved; tenancy fraud – Housing chose not to take forward. . During this work, weaknesses with the housing application form were identified. 	<p>This work highlighted the need for:</p> <ul style="list-style-type: none"> . Consideration of cases corporately and not at a service level . Close working with Internal Audit to review any identified control weaknesses . Decisions for investigating possible fraud to be made by the S151 Officer and not service team leaders . A corporate sanctions policy 	<ul style="list-style-type: none"> . 1 case showed benefit fraud (Housing and Council Tax) as well as tenancy fraud. In both cases, the Services chose not to investigate further.

AREA OF WORK	DESCRIPTION OF WORK	QUALITATIVE BENEFITS	QUANTITATIVE BENEFITS
Tree Preservation Orders	<ul style="list-style-type: none"> . Visits and witness statements . Formal interviews . File preparation for prosecution 		<ul style="list-style-type: none"> . 1 prosecution of the tree owner and tree surgeon. Appendix B . 1 case ongoing with 11 charges about to be laid at the company . 3 new cases received and progressing
Planning Enforcement	<ul style="list-style-type: none"> . Preparing witness statements. . Preparing prosecution files 	<ul style="list-style-type: none"> . Working jointly with other services to produce an effective corporate outcome 	<ul style="list-style-type: none"> . 1 successful prosecution of a local resident. Appendix C . 1 successful prosecution of 3 landlords relating to one block of flats.
Fly Tipping	<ul style="list-style-type: none"> . Joint interviews with the Service . Prepare papers for prosecution 		<ul style="list-style-type: none"> . 1 case prepared for prosecution
Empty Properties	<ul style="list-style-type: none"> . Undertake visits on behalf of Housing Team . This work is still underway 	<ul style="list-style-type: none"> . Council Tax revenue implications . Property sold and brought back into use. 	<ul style="list-style-type: none"> . £1,046 recovered . £1,159 Council Tax now being billed
WORK WITH PARTNERS			
Housing Tenancy Fraud	<ul style="list-style-type: none"> . Worked for housing association (First Wessex) on tenant subletting to his daughter while he lived in Leeds . Obtaining bank statements for the tenant's account to confirm residence in Leeds not Rushmoor . Liaised with Leeds City Council and another housing association regarding a property in Leeds 	<ul style="list-style-type: none"> . In 1 case the tenant was given 6 weeks to leave and Rushmoor were given nomination rights which assists tackling homelessness 	<ul style="list-style-type: none"> . 1 successful prosecution for sub-letting . As a result of information obtained by Rushmoor, the housing association successfully obtained a possession order on the house through civil action at County Court

AREA OF WORK	DESCRIPTION OF WORK	QUALITATIVE BENEFITS	QUANTITATIVE BENEFITS
Multi Agency Meetings	<ul style="list-style-type: none"> . Joint working with Local Authorities and Housing Associations . Sharing good practice . Promoting fraud awareness across the county . Sharing resources and joint working . Liaising with police, RSL's welfare organisations . 	<ul style="list-style-type: none"> . Provide visible presence . Receive nomination rights to recovered HA properties . Providing a corporate approach to borough issues . Corporate enforcement and sanctioning . Support for vulnerable citizens and those with addiction 	
CORPORATE WORK			
Corporate Sanctions Policy	<ul style="list-style-type: none"> . Collate the 4 enforcement policies at the Council . Prepare a draft Sanctions Policy to be used corporately 	<ul style="list-style-type: none"> . Clear approach for regulatory services . Promote cross-service working 	
Staff and Members Showcase	<ul style="list-style-type: none"> . Prepared, set up and manned a stall at the staff event 	<ul style="list-style-type: none"> . Promote cross-service working 	
Internal Investigations	<ul style="list-style-type: none"> . Worked with HR to agree the corporate approach to any internal investigations . Currently working with HR on pre-employment checks 	<ul style="list-style-type: none"> . Make use of internal skills and experience . Provide well-run, detailed and documented investigations . Meet all relevant legislation 	
Shared knowledge and intelligence gathering	<ul style="list-style-type: none"> . 'One Rushmoor' approach . Share data where proportionate . Joint visits with other sections . Use investigatory powers to obtain information . Provide expertise on enforcement action and court cases 	<ul style="list-style-type: none"> . Raise awareness of other's roles . Improves corporate outcomes on multi-disciplinary cases . Reduce silo working 	

TREE PRESERVATION ORDER ENFORCEMENT



Picture from Google depicting the healthy tree in situ.



Felling of the previous tree in progress. This picture shows a tree surgeon up the tree, having removed the lower branches and now in the process of removing the remaining healthy crown.

PLANNING ENFORCEMENT



This picture shows the fencing off and enclosure of public open space into the offenders' garden.



After the successful prosecution, the defendant was required to remove the fence and rebuild the brick wall in keeping with the previous wall to his boundary, freeing the illegally enclosed public space.