

Appendix A



BUSINESS PLAN 2022/23

CORPORATE ENQUIRY TEAM SHARED SERVICE

**LANCASTER CITY COUNCIL,
PRESTON CITY COUNCIL & FYLDE
BOROUGH COUNCIL**

(This Plan will be refreshed annually)

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VISION STATEMENT:

To use available resources to enforce a zero-tolerance approach to fraud against the Councils and their partner organisations.

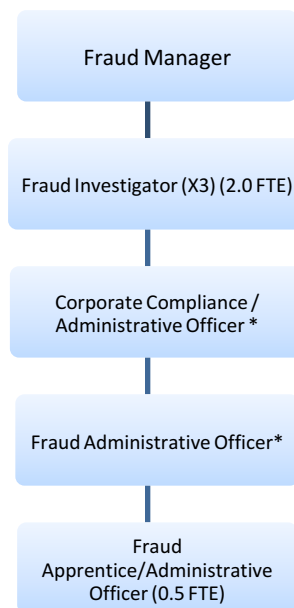
STATEMENT OF PURPOSE:

The Corporate Enquiry Team will:

- Prevent, detect and deter fraud against the respective Council and its partners;
- Investigate appropriate allegations of fraud to a criminal prosecution standard;
- Work with the Police and other agencies to protect the public purse;
- Act as single point of contact for data enquiries from the Police, the Department for Work and Pensions and other law enforcement agencies.

SERVICE OVERVIEW:

The shared Corporate Enquiry Team was created on 1 June 2015 and operates over three sites on behalf of Fylde, Lancaster and Preston Councils. In practice, it currently sits as part of the Customer Services Directorate within Preston City Council and the structure of the team is as follows:



* One post of the two Admin officer posts covers DWP liaison for both Lancaster & Preston and is therefore funded from the Revenues/Benefits Shared Service budget.

The initial years of this partnership arrangement saw a period of development and enhancement in the field of corporate anti-fraud activity. The Corporate Enquiry Team has focussed its attention on anti-fraud and error across the three authorities and work involves prevention, detection and investigative work.

Local authorities have a duty to safeguard public funds and to ensure that any public money is used appropriately. All three Councils have a zero-tolerance approach to fraud.

Fraud is often an opportunistic crime, committed by those who perceive the likelihood of being caught and punished as minimal. The Corporate Enquiry Team will use all legal powers available to work with our partners to reduce both the risk of fraud and the losses caused by it. This will be done by taking firm action against offenders and publicising positive outcomes to create a deterrent effect.

This Business Plan is produced to document the work of the Corporate Enquiry Team and to outline the responsibilities and key objectives for the team in coming years. It provides financial and performance information and provides a risk analysis of possible events that may adversely affect the service in the future.

CUSTOMERS & STAKEHOLDERS:

We continue to develop excellent working relationships with our customers and stakeholders, which include:

- All residents of the three districts;
- The business community;
- Benefit/Council Tax Reduction Scheme customers;
- Elected representatives.
- Other Council services;
- Department for Work and Pensions;
- Pensions Service;
- Valuation Office Agency;
- Registered Social Landlords;
- Private Landlords/Agents;
- HM Revenues and Customs;
- UK Border Agency;
- Cabinet Office;
- HM Courts and Tribunals Service;
- The Home Office;
- The National Crime Agency
- Advice Agencies – CAB & Welfare Rights Service;
- Ministry of Housing, Communities and Local Government (MHCLG);
- Enforcement Agents;
- Other Local Authorities;
- Police.

CONTRIBUTION TO COUNCIL PRIORITIES:

This Business Plan is shaped by corporate priorities and we continue to contribute towards these priorities in our day to day work; by achieving our key service objectives. Our processes alongside new systems will support the revised ways of partnership working and help ensure that Council priorities can be achieved.

Local Authorities have a duty to protect the public purse. The Government's austerity programme has led to a substantial reduction in funding and this means that we must strive to do more for less. It is vital that we ensure our limited funds are directed towards the provision of essential services and that we minimise our losses to fraud.

The Corporate Enquiry Team proactively work with all services within each Council to offer a counter fraud and error service and to identify and investigate any fraudulent activity.

KEY SERVICE OBJECTIVES:

In preparing the objectives for this plan, the Shared Service Management Team has reviewed all of the known influences on the service. These include customer needs, staff needs/issues, the overall environment, performance issues and the various changes associated with improving service provision.

Key Service Objectives for the Shared Service for 2022/23 are:

- To create and promote a robust “anti-fraud” culture across the three authorities, highlighting the Council’s zero tolerance of fraud, bribery and corruption.
- To review supporting policies and procedures to strengthen governance and improve resilience to fraud and corruption.
- To embrace partnership working to enable excellent service delivery, whilst achieving financial savings to the partner authority.
- To ensure that investigations comply with the regulatory environment such as Criminal Procedures and Investigations Act 1996 (CPIA), Police and Criminal Evidence Act 1984 (PACE), Regulation of investigatory Powers Act 2000 (RIPA), Human Rights Act 1998 (HRA), Data Protection Act 2018 (DPA), Freedom of Information Act 2000 (FOI) and GDPR.
- To work with social housing providers to recover properties from fraudsters enabling those identified as being most in need of social housing to be re-housed.
- To encourage a strong culture of good performance in relation to cost and develop relevant performance measures;
- To promote the principles of fairness, equality of opportunity, social inclusion and poverty reduction through service provision;

OTHER MAJOR RESPONSIBILITIES:

Council Tax Support Scheme (CTS) Fraud

- The Council Tax Support (CTS) scheme replaced Council Tax Benefit and as such, responsibility for investigating related fraud lies with the Council. The

DWP Single Fraud Investigation Service has no powers to investigate these issues. The DWP have now introduced joint working on CTS cases where there is also a suspected fraud against national benefits. The North West Region commenced joint working on 29th April 2019.

- Investigate allegations of fraud against the CTS systems administered across the three partner Councils;
- Undertake pro-active exercises in areas considered of being at a high risk of fraud;
- To consider appropriate sanction action against fraudsters, in line with all three Council's sanction policies;
- To use the authorised officer powers contained within the CTS scheme (Detection of Fraud and Enforcement) (England) Regulations 2013 in a fair, consistent and legal manner;
- To minimise financial losses as a result of fraud.

Business Rates/ Business Grant Fund/ Council Tax Fraud

To deal with an area of fraud where Council's may lose significant revenue through abuse of the discount, exemption and grant rules. General objectives are to:

- Investigate allegations of fraud across Business Rates, and Council Tax systems administered by the three partnering Councils.
- Participate in National Fraud Initiative data matching to identify irregularities.
- Work with Business Rates, Council Tax teams and visiting officers to help identify and deal with high risk areas of fraud.
- Undertake pro-active visits to high risk premises to identify business rates fraud.
- Utilise the Destin Solutions system to identify false claims for small business rate relief.
- Participate in the Cabinet Office Spotlight due diligence checks to identify potential areas of fraud.

Housing Tenancy Fraud

Lancaster City Council has retained its housing stock, which may be at risk of fraud such as subletting, key swapping, non-residency and right to buy fraud.

New criminal offences were introduced by the Prevention of Social Housing Fraud Act 2013. This includes powers for local authorities to obtain information and the use of unlawful profit orders. Only local authorities have the powers to prosecute these offences, which include all social housing, not just properties owned by the authority.

The Corporate Enquiry Team will work with the Housing team at Lancaster and other Registered Social Landlords to detect and punish tenancy fraud. This will create a deterrent and help to recover properties that are being misused, to be utilised to house those deemed to be most in need of the resource. This should help reduce temporary accommodation costs which are estimated to be around £18,000 per year for a homeless family. The Team will:

- Work closely with Lancaster City Council's Housing team, to encourage staff and residents to report fraud and allow us to deal with it effectively
- Encourage partnership working with our Registered Social Landlords to ensure that the properties they manage are not subject to fraud. This will free properties for some of our residents who are in genuine need.

Staff/Employee Fraud

To assist Audit, Human Resources (HR) and other services deal with investigations of employee fraud. These may include:

- Bribery and Corruption
- Abuse of financial systems, including payroll
- Abuse of personal data for criminal reasons
- Abuse of working time/flexi scheme arrangements
- False expenses claims
- Abuse of the absence and sickness procedure
- Recruitment fraud

KEY PROJECTS

Specific projects for 2022/23 include:

- Continue to participate in Operation GENGA, a multi-agency project to help tackle serious and organised crime.
- Participate in the National Fraud Initiative data matching exercises.

FINANCIAL APPRAISAL

The 2022/23 proposed budget for the Corporate Enquiry Team Shared Service is £164,430.00.

The costs of the services over the past two years are shown in the table below along with the budget for the year ahead:

	2022/23 Budget	2021/22 *Provisional Actual	2020/21 Actual
Employee Costs	154,030	141,453	132,118
Transport Costs	3,300	309	2,997
IT Equipment and Systems	4,500	5,858	1,881
Other Supplies and Services	2,600	2,065	721
Total	£164,430	£149,685	£137,717

**At the time this business plan was prepared only provisional actual costs for the year 2021/22 were available as the financial accounts had not been closed off for the financial year. Little to no fluctuation is expected to the provisional figures quoted.*

The operating costs are met from partner Councils on a monthly basis, based on the annual budget. Contributions from partner Councils are split as follows:

- Preston City Council: 40%.
- Lancaster City Council: 40%
- Fylde Borough Council: 20%

In addition to Preston City Council's contribution of 40%, the Council absorbs the overheads relating to the Corporate Enquiry Team Shared Service team e.g. HR, Finance, and ICT.

The shared service has no capital expenditure.

EQUALITY IMPACT ASSESSMENT

The outputs / outcomes detailed within this Business Plan could affect service users or employees. The impact on different groups will depend on those referrals identified as sufficiently high risk to require investigation. However, processes are in place to ensure those affected are treated equitably. eg. interpreter facilities for those whose first language is not English.

The outcomes of our fraud work can affect some individuals, for example employees who are dismissed following a disciplinary hearing. However, where a disciplinary is held, the outcome lies with the individual manager concerned, as each case will be considered on its own merits.

An Equality Impact Assessment Action Plan is reproduced at **Appendix A**

PERFORMANCE

Performance management is an important component of the shared service arrangement and is a key measure in terms of:

- Developing a sustainable operation;
- Maintaining positive and pro-active partnerships;
- Develop new partnerships where it is beneficial for our residents

Senior managers work with peers and stakeholders in each Council and with external bodies, to measure and maintain performance levels.

The team will seek to find levels of fraud at least the equivalent of the cost of the service. However, it should also be noted that we expect additional “soft” benefits to accrue.

From 1st April 2017 the team introduced an additional methodology to identify counter fraud performance. When a claim for an allowance, discount, reduction or exemption ends or reduces as a result of an intervention by the Corporate Enquiry Team the value of the intervention is not just the amount of any overpayment that has occurred.

It is recognised that there is also a “future” saving made by preventing further incorrect payments being made. In such cases the weekly amount of reduced entitlement to an allowance, discount, reduction or exemption applied following fraud intervention is multiplied by 52, as it is reasonable to believe that the award would have continued unchanged for a full year (average) had no intervention taken place. This was agreed as an appropriate performance measure by the Lancashire and Greater Manchester Fraud Investigators Group. These will be reported as a separate figure from overpayments.

For social housing fraud the team will use the nationally accepted figure of £18,000 for every property recovered. This figure is based on estimated temporary accommodation costs. Again, this will be reported separately from actual overpayments.

In addition to this, targets have been set to identify actual overpayments during 2022/23:

- Preston £110,000
- Lancaster £110,000
- Fylde £55,000

FUTURE DEVELOPMENT

- **Corporate Fraud Awareness**

To work with Audit teams to identify areas of high fraud risk in all three Councils and to help staff recognise and refer potential discrepancies. The team will assist services in developing systems that reduce the risk of fraud.

- **Other new areas**

Possibility of additional NFI data-matching
To review resources (invest to save)

THREE YEAR HORIZON

- To maintain partnership working between the three partner Councils;
- To publicise positive results and sanction action taken against fraudsters, creating a deterrent against those seeking to defraud the Council and its partners;
- To participate in joint working with the Department for Work and Pensions where our investigations correlate;
- To ensure that staffing structures and resources are fit for purpose, shifting resources to areas of greatest need to achieve optimum results;
- To ensure compliance with the Governments proposed counter fraud standards.

Full Equality & Human Rights Impact Assessment (EHRIA)

Department Customer Services	Division Revenues	Officers involved in the assessment Adrian Robinson, Head of Shared Service Haley Garstang, Fraud Manager Candice Lancaster, Special Projects Manager Who is the owner of this EHRIA - responsible for monitoring outcomes? Haley Garstang, Fraud Manager
Name of the policy, function or service provision to be assessed: Corporate Fraud Investigation	Date of assessment: 29/09/15 31/03/17 01/05/18 28/05/19 02/07/20 02/07/21 29/04/22	Is this a new or existing policy or service provision? New Revised Revised Revised Revised Revised Revised
Who defined the policy, function or service provision and who are the main stakeholders? Section 151 of the Local Authority Finance Act 1972 stipulates a requirement to protect public funds. The main stakeholders are:- • All residents of the three districts;		

- The business community;
- Benefit/Council Tax Support customers;
- Elected representatives.
- Other Council services;
- Department for Work and Pensions;
- Pensions Service;
- Jobcentre Plus;
- Valuation Office Agency;
- Rent Service;
- Registered Social Landlords;
- Private Landlords/Agents;
- HM Revenues and Customs;
- UK Border Agency;
- National Fraud Authority;
- HM Courts and Tribunals Service;
- The Home Office;
- The National Crime Agency
- Advice Agencies – CAB & Welfare Rights Service;
- Department for Communities & Local Government;
- Enforcement Agents;
- Solicitors;
- Other local authorities;
- Police.

Who implements and who is responsible for this policy or service provision?

Adrian Robinson, Head of Shared Service

The EHRIA form above should be undertaken if your preliminary assessment highlights that you need to gather more information about the impact of your service on a group or if you know that there is potential for an adverse impact upon a section of the community.

Completing this form supports our work towards becoming an excellent council under the Equality Framework for Local Government (EFLG)

The Equality Framework for Local Government (EFLG) is based on three levels of achievement; 'developing', 'achieving' and 'excellent'

The five areas of performance are:

- Knowing your communities and equality mapping
- Place shaping, leadership, partnership and organisational commitment
- Community engagement and satisfaction
- Responsive services and customer care
- A modern and diverse workforce.

Visit the IDeA's website for more details on the Framework

<http://www.idea.gov.uk/idk/core/page.do?pagelId=9499336>

Public Sector Equality Duty

Which of the 3 general equality duties listed below does your policy or service provision impact upon – please use space to comment.

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

Please use the space above to outline what the relevance of the policy or service provision is to the general equality duties and equality groups. Remember to consider each of the general duties and not only the duty to eliminate discrimination.

Where it is concluded that the policy is not relevant to a specific duty, this should be recorded here with the reasons why and evidence.

The Equality & Human Rights Commission's **'The essential guide to the public sector equality duty'** has a useful example of how to consider relevance

'To ensure that you are having due regard to the aims of the duty, you need to consider all of your functions in order to determine which of them are relevant to the aims of the duty. Some functions will be relevant to most or all protected groups, such as recruitment. Other functions may be relevant to one 'arm' of the duty but not to others, or to the needs of some protected groups but not to others. For example, your IT policies and practices will be relevant to the elimination of discrimination and the advancement of equality for disabled people but may not be for fostering good relations or for other groups.'

See link below for guidance

http://www.equalityhumanrights.com/uploaded_files/PSD/equality_impact_assessment_guidance_quick-start_guide.pdf

Understanding the importance of equality in visions of place, political and officer leadership, working with partners to challenge inequality

– Describe the aims and objectives of the policy or service provision, how does it complement PCC Corporate Priorities:	Section 151 of the Local Authority Finance Act 1972 stipulates a requirement to protect public funds. Preston City Council has a zero tolerance stance on fraud, and ensures that resources are in place to prevent and detect fraudulent activity, and punish those who are found to have committed offences in accordance with the Council's Sanction Policy. This contributes towards the Council's good governance, openness and transparency and Well Run corporate priorities, working with partners and stakeholders.
– Do the anticipated outcomes meet or hinder other policies, values or objectives of the authority?	Our objective is to promote the principles of fairness, equality of opportunity, social inclusion and reduce poverty through excellent service provision. The Council is governed by the Police and Criminal Evidence Act 1984 (PACE) codes of practice when conducting interviews with customers who are suspected of committing an offence.

Can you identify how this may impact on promoting good relations between different groups within the city?	PACE sets out to strike the right balance between the powers of the police and investigatory bodies and the rights and freedoms of the public. Maintaining that balance is a central element of PACE ensuring that customers are treated fairly, given the right to representation and it is the responsibility of the interviewing officer to ensure that the customer is fit for interview both physically and mentally, to identify any language or literacy barriers and to allow the customer to have an appropriate adult or friend with them during the interview for moral support. If the interviewing officer has any doubts as to the capabilities of the customer when being interviewed, the interview will be terminated. The member endorsed Sanction Policy ensures that a consistent approach is adopted when dealing with offenders. As an alternative to prosecution the Authority can offer a simple caution or administer an administrative penalty of 50% of any overpayment for Council Tax Support with penalties ranging from a minimum of £100 to a maximum of £1000. The sanction policy considers each case on its merits, including social factors and the public interest test. Protecting public funds that can be allocated to those individuals and groups who genuinely need it.
– What are the expected outcomes from this policy or service provision?	• To deliver cost effective services that provide value for money; • To ensure that investigations comply with the regulatory environment such as Criminal Procedures and

	Investigations Act 1996 (CPIA), Police and Criminal Evidence Act 1984 (PACE), Regulation of investigatory Powers Act 2000 (RIPA), Human Rights Act 1998 (HRA), Data Protection Act 1998 (DPA) and Freedom of Information Act 2000 (FOI). • To recover properties from fraudsters to enable re-housing of those identified as being most in need of social housing. • To encourage a strong culture of good performance in relation to cost; • To promote the principles of fairness, equality of opportunity, social inclusion and poverty reduction through service provision; • To embrace partnership working to enable the delivery of an excellent service, whilst achieving savings based on economies of scale, reductions in duplication and financial savings to the authority.
– Is this policy or service provision being delivered in partnership? If so, please detail partnerships involvement	Shared Service with Lancaster City Council and Fylde Borough Council for whom we deliver the counter-fraud service.

Responding to Need

– Who is intended to benefit from the policy, strategy or function and in what way?	• Central Government benefit from not only the fraud identified, but from the deterrent effects. • The Council benefits reputationally by having a high profile successful fraud team,. • The Council generates an income from the counter-fraud work carried out on behalf of Fylde BC. • Tax payers within the City, by protecting the public purse and only paying claims where there is a genuine need. • Communities benefit from reduced poverty and deprivation through the correct allocation of support. • Any overpayment that is considered fraudulent can be recovered at a higher rate; therefore overpayments are recovered more expediently.
– What do you already know about who uses this service? Are there identified gaps in the information needed (Actions to collect this data should be included in your action plan)	Each referral of fraud is risk assessed and any investigation resulting from that is based on its own individual merits, regardless of gender, ethnicity, sexual orientation etc.. It is unnecessary to collect detailed customer data as there is no intention to use this data to target investigations. We use registered interpreters when appropriate to ensure that customers are not disadvantaged by language barriers.
– What further consultation do you need to do? Please describe how you propose to proceed?	None.

Comments

Are there any issues that you feel are important and have not been identified in this EHRIA?

Assessing Impact on each Protected Characteristic

Step 1

Consider the aims and expected outcomes of the service / function or project you are delivering and ask yourself the following questions:-

- **How are the current needs of different equalities groups and communities being met?**
- **Is there any initial evidence that any part of it could discriminate unlawfully, directly or indirectly, against particular groups of people?**
- **How will you ensure that your chosen methods of communication will reach all communities?**

Step 2

Look at each protected characteristic, would any group be affected differently than others ? If you believe they would please identify whether this would be positively or negatively.

If there is no differential impact then you should select the neutral option.

Positive = you can evidence that outcomes from this project have / will impact positively on a protected characteristic

Negative / Unsure = Outcomes have not / are not expected to impact positively (There must be a corresponding action in your plan to address this or comment to justify why you cannot address the impact)

Neutral = No evidence either way

Protected Characteristic	Positive	Negative	Unsure	Neutral	Comments
Race				*	
Disability				*	
Gender				*	
Age				*	
Religion & Belief				*	
Sexual orientation				*	
Socio economic				*	
Transgender				*	
Carers*				*	
Human Rights				*	
Pregnancy & Maternity				*	
Rural Issues*				*	

Protected Characteristic	Positive	Negative	Unsure	Neutral	Comments
Ex Offenders*				*	

If you found adverse impact on any grounds at all, can it be avoided? What action will you take? (If you make changes because of adverse impact make sure these don't have a further adverse effect on any other group)	With regards to race, it is difficult and almost impossible to translate all correspondence into every spoken language within the City, but interpretation services are available.	
If there is nothing you can do about any adverse impact highlighted, can the reasons be justified on the grounds of promoting equality of opportunity for any groups?		
What lessons have been learnt from completing the assessment?	Although we don't collect detailed customer data, in the interests of fairness, it doesn't seem necessary due to our risk assessment procedures and prosecution policy that is in place.	

Signed (completing Officer)..... Signed (Lead Officer).....