



# Agenda

## Audit and Standards Committee

Date:	Thursday, 15 November 2018 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor John Singleton JP (Chairman)</p> <p>Councillor David Donaldson (Vice-Chairman)</p> <p>Councillors Delma Collins, Peter Collins, Paul Hayhurst, Edward Nash, Graeme Neale, Louis Rigby, Roger Small.</p>

	PROCEDURAL ITEMS:	PAGE
1	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">20 September 2018</a> as a correct record.	1
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 22(c).	1
	<b>STANDARDS ITEMS:</b>	
4	<b>Issues Raised with the Monitoring Officer</b>	3 - 4
	<b>AUDIT DECISION ITEMS:</b>	
5	<b>Constitution Amendments</b>	5 - 7
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7	<b>Mid Year Prudential Indicators and Treasury Management Monitoring Report 2018/19</b>	12 - 22
8	<b>Fighting Fraud and Corruption Locally - The Local Government Counter Fraud Strategy</b>	23 - 34

	<b>AUDIT INFORMATION ITEMS:</b>	
<b>9</b>	<b>Corporate Fraud Team - National Fraud Initiative Update</b>	<b>35 - 75</b>
<b>10</b>	<b>Regulation of Investigatory Powers Act 2000 : Authorisations</b>	<b>76</b>

Contact: Tara Walsh - Telephone: (01253) 658546 – Email: [democracy@fylde.gov.uk](mailto:democracy@fylde.gov.uk)

The code of conduct for members can be found in the council's constitution at  
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	4
<b>ISSUES RAISED WITH THE MONITORING OFFICER</b>			

## PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY OF INFORMATION

The Monitoring Officer has been appointed as Proper Officer to receive allegations of failure to comply with the Code of Conduct regarding councillors, town and parish councillors and co-opted members. The Monitoring Officer has delegated authority, after consultation with the 'Independent Person', to determine whether an allegation of members' misconduct requires investigation and arrange such an investigation.

The Monitoring Officer should seek resolution of complaints without formal investigation wherever practicable and she has the discretion to refer matters to the Audit and Standards Committee where she feels it is inappropriate for her to take a decision on a referral for investigation. She should also periodically prepare reports for the Audit and Standards Committee on the discharge of this function.

In order to keep the Audit and Standards Committee informed as to the number and general nature of matters brought to her attention; reports on the discharge of the function of Monitoring Officer are brought on a periodic basis.

It is a point of clarification that there are a number of stages in dealing with reported matters. Some matters are brought to the attention of the Monitoring Officer without merit. In instances where a breach may have been considered to arise, and in line with agreed procedures, wherever possible the Monitoring Officer should seek the resolution of complaints without the need for formal investigation.

### SOURCE OF INFORMATION

The Monitoring Officer.

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

Periodic reports to the Audit and Standards Committee show all the matters which have been brought to the attention of the Monitoring Officer for review in order that members of the Audit and Standards Committee have an appreciation of all matters arising.

### FURTHER INFORMATION

Contact Tracy Morrison, Monitoring Officer Tel: 01253 658521

## INFORMATION

1. The tables below shows the nature of the allegations made in the complaints since last reported to the Audit and Standards Committee on 24 May 2018. Complainants do not need to specify a relevant part of the code where they believe a breach has occurred (and indeed some of these complaints relate to differing codes dependant on when the complaint originates). For the purpose of the table below, the Monitoring Officer has made a judgement and grouped them accordingly.

PARISH MATTERS	
Failure to treat others with respect	2
Bringing the authority into disrepute	1
Interests	0

BOROUGH MATTERS	
Failure to treat others with respect	4
Using position as a member to gain for yourself or another person an advantage and disadvantage	1
Bringing office or council into disrepute	0
Interests	0

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	5
<b>CONSTITUTION AMENDMENTS</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

In accordance with the instructions of the Audit and Standards Committee at their meeting on 15 March 2018, the Constitution Review Working Group are in the process of undertaking a Constitution refresh.

The Constitution Review Working Group intends to report in full at the January 2019 Audit and Standards Committee meeting. However, one aspect of its work is brought forward to this committee as it ties in with work being undertaken by the Member Development Group regarding members being able to attend meetings by remote access. The Member Development Steering Group has been responsible for working with Councillor Mark Bamforth to find, and evaluate, a technology solution to facilitate this and a recommendation from the Member Development Steering Group in relation to this matter will be considered by the Finance and Democracy Committee on Monday 26<sup>th</sup> November.

This report deals with the procedural issues concerning the same matter, which fall under the remit of this Committee to consider, and make recommendations, to Council.

### RECOMMENDATION

1. The consider the recommendation of the Constitution Working Group to amend the Council Procedure Rules to allow for remote access:

#### **2 REMOTE ATTENDANCE:**

##### **2.1 Arrangements for remote attendance**

*(a) Subject to 2.3 and 2.4, the chairman may make arrangements to allow (as far as the law permits) a member ('M') to participate in a meeting remotely if the following circumstances apply.*

*(b) [M has notified the Director of Resources [in writing] no later than one week before the meeting of their wish to participate remotely and]*

*(c) M reasonably believes that it would be detrimental to their physical or mental wellbeing to attend the meeting in person*

*(d) Any arrangements must ensure so far as possible that any person attending the meeting is able to hear M's contributions as easily as those of members attending in person.*

##### **2.2 Substitutes**

*M may be represented by a substitute under rule 22 or 23 but not by remote access means.*

##### **2.3 Exempt and confidential items**

*M may not participate remotely in any part of a meeting in which the public have been excluded under section*

100A of the Local Government Act 1972.

## **2.4 Maximum number of members participating remotely**

*The maximum number of members who may participate remotely in a council meeting is 2.*

### **SUMMARY OF PREVIOUS DECISIONS**

Audit and Standards Committee – 15 March 2018

<b>CORPORATE PRIORITIES</b>	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

### **REPORT**

1. In accordance with the instructions of the Audit and Standards Committee at their meeting on 15 March 2018, the Constitution Review Working Group are in the process of undertaking a Constitution refresh.
2. The Constitution Review Working Group intends to report in full at the January 2019 Audit and Standards Committee meeting. However, one aspect of its work is brought forward to this committee as it ties in with work being undertaken by the Member Development Group regarding members being able to attend meetings by remote access. The Member Development Steering Group has been responsible for working with Councillor Mark Bamforth to find, and evaluate, a technology solution to facilitate him participating in meetings by remote access and a recommendation from the Member Development Steering Group in relation to this matter will be considered by the Finance and Democracy Committee on Monday 26<sup>th</sup> November.
3. This report deals with the procedural issues concerning the same matter, which fall under the remit of this Committee to consider, and make recommendations to council. It brings forward this aspect of the work of the Constitution Working Party to progress this particular piece of work.
4. A councillor who is not physically present at a meeting at of a council or committee in England is not considered in law as attending the meeting, even where they participate by remote access. This means that they cannot validly vote at the meeting, cannot be counted towards the quorum, and would be counted as not having attended it for the purposes of the 'six-month rule'. These limitations are statutory or common law rules, which cannot be changed by the council.
5. However, this does not preclude a member attending a meeting by remote access means, although it should be noted that any attendance of a councillor at a committee meeting by remote access must be limited to participating in discussions and debates.
6. Balanced against these considerations, the Constitution Working Party has considered the opportunities for allowing remote access in the manner outlined in paragraph 5 above, and subject to the requirements of the law, with procedure rules being put in place to govern the working of this, have put forward the procedure rule set out below for consideration. It should be noted that this report does not provide any commentary on the evaluation of the technology to allow this to be brought about and this will be the subject of a separate review by the Finance and Democracy Committee.

## **2 REMOTE ATTENDANCE:**

### **2.1 Arrangements for remote attendance**

(a) Subject to 2.3 and 2.4, the chairman may make arrangements to allow (as far as the law permits) a member ('M') to participate in a meeting remotely if the following circumstances apply.

(i) M has notified the Director of Resources in writing no later than one week before the meeting of their wish to participate remotely; and

(ii) M reasonably believes that it would be detrimental to their physical or mental wellbeing to attend the meeting in person.

(b) Any arrangements must ensure so far as possible that any person attending the meeting is able to hear M's contributions as easily as those of members attending in person.

### **2.2 Substitutes**

M may be represented by a substitute under rule 22 or 23 but not by remote access means.

### **2.3 Exempt and confidential items**

M may not participate remotely in any part of a meeting in which the public have been excluded under section 100A of the Local Government Act 1972.

### **2.4 Maximum number of members participating remotely**

The maximum number of members who may participate remotely in a council meeting is 2.

IMPLICATIONS	
Finance	Supporting remote access requires specialist equipment and support from the IT Team. Based on existing draw down on the service, the support has been contained within existing budgets. However, if demand grows exponentially, this may require an increased staffing resource within the IT Team going forward.
Legal	A councillor who is not physically present at a meeting at of a council or committee in England is not considered in law as attending the meeting, even where they participate by remote access.
Community Safety	None
Human Rights and Equalities	This provides members with a physical or mental wellbeing issue to participate in council meetings which would otherwise preclude them
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	<a href="mailto:Tracy.manning@fylde.gov.uk">Tracy.manning@fylde.gov.uk</a>	October 2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	6
<b>COMPLAINT HANDLING ASSESSMENT CRITERIA</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

At the Audit and Standards committee held on 15<sup>th</sup> March 2018 it was noted that assessment criteria would be helpful for the Monitoring Officer to refer to in complaint handling. In particular this should underline that the council would not consider anonymous complaints.

This report brings forward some suggested criteria for the Committee to consider as a working draft to guide the Monitoring Officer. Members will be aware that the Committee on Standards in Public Life has been carrying out a review of local government ethical standards. Whilst it is not clear at this stage what recommendations will result from this piece of work, there has been some commentary that a national uniform Code of Conduct might be re-introduced, together with more robust sanctions. Therefore, at this stage, it is suggested that this criteria is used as guidance to assist the Monitoring Officer in her assessment of complaints until the national picture emerges.

### RECOMMENDATIONS

1. To endorse the attached guidance to assist the Monitoring Officer in assessing complaints handling and that a further report be brought back in this regard once the outcome of the local government ethical standards review is known.

### SUMMARY OF PREVIOUS DECISIONS

Audit & Standards Committee – 15<sup>th</sup> March 2018

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓



## REPORT

1. It was noted at the 15<sup>th</sup> March 2018 meeting, that following discussion with the Council's independent persons regarding complaints, that assessment criteria would be helpful for the Monitoring Officer to refer to in complaint handing. In particular this could underline that the council would not consider anonymous complaints. It would also serve as a useful guide to those seeking to make complaints.
2. The committee resolved to ask the Monitoring Officer to prepare assessment criteria for future consideration by the committee and in the meantime underline that the council would not consider anonymous complaints with respect to standards issues.
3. This report brings forward such criteria for consideration.

IMPLICATIONS	
Finance	No direct implications
Legal	No direct implications
Community Safety	No direct implications
Human Rights and Equalities	No direct implications
Sustainability and Environmental Impact	No direct implications
Health & Safety and Risk Management	No direct implications

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	<a href="mailto:tracy.manning@fylde.gov.uk">tracy.manning@fylde.gov.uk</a>	30 October 2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Audit& Standards Committee	15 March 2018	<a href="#">A&amp;S Minutes</a>

Attached documents

Appendix 1- Draft Assessment Criteria

## Assessment criteria – complaints in relation to the Code of Conduct for members

1. Complaints in relation to member misconduct are considered by the Council's Monitoring Officer who will generally consult with an Independent Person as to the course of action to be taken. The following points will be taken into consideration:
  - Was the member/co-optee acting in their capacity as a member/co-opted member at the time of the alleged misconduct?
  - Can the complaint be considered as being of a very minor/trivial nature, repetitious, politically motivate, vexatious or malicious? Does any of the other criteria relating to 'non-valid' complaints apply (see below)?
  - Is there public interest in the matter?
  - Is the cost to the public purse of an investigation proportionate to the merits of the complaint?
  - Is there sufficient information to enable a decision as to whether to investigate to be made? If not, what information is required?
2. Complaints against members will not be considered as 'valid complaints' in the following circumstances:
  - i) Complaints which are outside the scope of the Code of Conduct including where the member is not deemed to be acting in an official capacity
  - ii) Complaints which relate to an alleged failure to comply with the rules regarding Disclosable Pecuniary Interests, except where the Monitoring Officer considers, following any consideration and investigation of the complaint by the Police and consultation with an Independent Person, that the complaint raises a significant issue concerning the wider governance of the council.<sup>1</sup>
  - iii) Complaints which are submitted anonymously unless there are exceptional circumstances<sup>2</sup>
  - iv) Complaints which do not identify a subject member
  - v) Complaints relating to a person who is no longer a member of the Council or relating to incidents before the person became a member of the Council.
  - vi) Complaints containing trivial allegations which are disproportionate to the matter complained about or continue to focus on a minor point.
  - vii) Complaints that are politically motivated or "tit-for-tat", in the sense of a repeated exchange of allegations

- viii) Where a substantially similar complaint in respect of the member has already been considered by the Monitoring Officer or has been the subject of an investigation by other regulatory authorities.
  - ix) Complaints made more than three months of the conduct complained of, unless the Monitoring Officer satisfied (after consulting an Independent Person) are there exceptional circumstances that justify the complaint being considered.
- 

<sup>1</sup> These complaints will be redirected to the Police, subject to the complainant's agreement

<sup>2</sup> After consultation with an Independent Person

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	7
<b>MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2018/19</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management. The report will also be presented for consideration at the Council meeting of 10<sup>th</sup> December 2018.

### RECOMMENDATIONS

1. To scrutinise the Mid-Year Prudential Indicators and Treasury Management monitoring report; and
2. To recommend to Council that the Prudential Indicators and the Investment Limits as shown at Appendix B of this report be approved.

### SUMMARY OF PREVIOUS DECISIONS

Council approved the 2017/18 to 2021/22 Treasury Management Strategy & Prudential Indicators at its meeting on 5th March 2018.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

# MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING

## REPORT 2018/19 – POSITION AS AT 30<sup>th</sup> SEPTEMBER 2018

### Report

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review report in addition to the forward-looking Annual Treasury Strategy and the backward-looking Annual Treasury Report. The Code of Practice also requires Members to scrutinise the Treasury Management function.

### Background

The Mid-Year Treasury Review report has been prepared in compliance with the Code of Practice. In order to assist with the terminology and explanations that are included within this report Appendix A sets out a Glossary of Treasury Terms and a number of Treasury Management and Prudential Indicators Frequently Asked Questions. Appendix B sets out the latest Treasury Management position compared to the forecast Prudential Indicators.

#### 1. Economic Update

##### 1.1 Economic Background

The year to date has seen a period of steady but modest economic growth. Gross Domestic Product (GDP) grew 0.4% in the second quarter of 2018 compared to the previous quarter. The year-on-year change in GDP was 1.2%. UK Consumer Price Inflation (CPI) for September 2018 was 2.2%, in excess of the government target of 2%. In the face of inflationary pressures within the economy the Bank of England voted to increase the bank base rate in August 2018 by 0.25% to 0.75%. The July unemployment rate of 4% is the lowest level of unemployment since 1975.

##### 1.2 Economic Outlook

The escalating trade tensions between the US and China, combined with tighter monetary policy may be contributing to a slowdown in global economic activity. A thawing of this tension following recent announcements by the American president has eased market fears to an extent. For the Eurozone and the EU concerns over the Italian government's latest budget and the general management of their economy has depressed sentiment in the latter part of the period. At a domestic level the terms of the separation of the UK from the remainder of the EU remains to be agreed resulting in a sustained period of economic uncertainty.

##### 1.3 Interest Rate Forecast

The latest forecast for interest rates from the Council's Treasury Advisors, Arlingclose, is shown in table 1 below. Arlingclose consider that the UK economy still faces a challenging outlook as the country looks to separate itself from the rest of the EU and as Eurozone economic growth is projected to slow down.

**Table 1: Interest Rate Forecast from Arlingclose**

Quarter Ending	Bank Rate %	Investment Rates %		Borrowing Rates %		
		3 month	1 year	5 year	20 year	50 year
Dec 2018	0.75	0.80	1.05	1.95	2.70	2.60
Mar 2019	1.00	1.00	1.25	2.00	2.75	2.65
Jun 2019	1.00	1.10	1.35	2.05	2.75	2.65
Sep 2019	1.25	1.20	1.40	2.15	2.80	2.70
Dec 2019	1.25	1.30	1.50	2.20	2.80	2.70
Mar 2020	1.25	1.30	1.45	2.20	2.80	2.70
Jun 2020	1.25	1.25	1.40	2.15	2.80	2.70
Sep 2020	1.25	1.20	1.40	2.15	2.80	2.70
Dec 2020	1.25	1.20	1.40	2.10	2.80	2.70
Mar 2021	1.25	1.20	1.40	2.10	2.80	2.70
Jun 2021	1.25	1.20	1.40	2.10	2.80	2.70

Sep 2021	1.25	1.20	1.40	2.10	2.80	2.70
Dec 2021	1.25	1.20	1.40	2.10	2.80	2.70

## 2. Regulatory Updates

### Updates to Prudential and Treasury Management Codes

CIPFA (Chartered Institute of Public Finance & Accountancy) has published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice. In addition the Ministry of Housing, Communities and Local Government (MHCLG) published its revised Investment Guidance which came into effect from April 2018.

The updated Prudential Code includes a new requirement for local authorities to produce a Capital Strategy, which is to be a document covering capital expenditure and financing, treasury management and non-treasury investments. It is intended to present the Capital Strategy for 2019/20 to the March Council meeting for consideration and approval as part of the Medium Term Financial Strategy.

## 3. Debt Management

The Council currently has long-term debt of £1.0M at a rate of 3.91% which is due to be repaid in December 2019. No additional external borrowing has taken place during the current financial year.

The Council has a requirement to fund a further £5.5M in 2018/19 (the £6.5M Capital Financing Requirement, or CFR, less £1.0M already borrowed) based on prudential borrowing that has been approved as part of the Capital Programme. The CFR of £6.5M (See Appendix B Table 2) includes this prudential borrowing. Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.

The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost effective means of funding capital expenditure. Internal borrowing of £5.5M is being used to fund the Capital Programme in 2018/19. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position may not be sustainable over the medium term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in consultation with the Council's Treasury Advisors.

## 4. Investments

### 4.1 Treasury Investment Activity

The guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2018/19 approved by Council on 5th March 2018.

The Council defines "high credit quality" organisations as:

- those having a credit rating of A- or higher and that are domiciled in the UK for deposits of up to one year,
- those domiciled in a foreign country those with a sovereign rating of AA+ or higher for deposits of up to one year,
- Those having a credit rating of BBB+ or higher for periods of up to six months.

These criteria are specified within table 3 (Approved Investment Counterparties) of the Treasury Management Strategy as approved by the Council on 5th March 2018.

The Council held £23.2M of investments as at 30<sup>th</sup> September 2018. These investments represent the Council's reserves and balances plus surplus cash flow at the mid-year point. The balance of cash is likely to reduce during the remainder of the financial year.

Deposits have been made at an average rate of 0.61% which exceeds the benchmark return (based on the 7 day LIBID - The London Interbank Bid rate) of 0.43%. The Council's original estimate for investment income for 2018/19 was £64K. Income from investments has been higher than the forecast amount due to higher than anticipated cash balances and the increase in the bank base rate in August to 0.75%. Consequently this income budget has been reviewed and has been increased to £118K to reflect the current level of income, representing an increase in forecast interest earnings for the current year of £54K.

## 5. Compliance with Prudential Indicators

The Council has complied with its Prudential Indicators for 2018/19, which were approved on 5th March 2018 as part of the Council's Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2017/18 to 2021/22.

Details of the Prudential Indicators can be found in Appendix B. As changes arise during the year some of the Prudential Indicators and Limits need to be revised.

## 6. Risk Assessment

Scrutiny of the revised Prudential Indicators and Limits and the subsequent recommendation of approval to the revisions by Audit and Standards Committee to Council helps to protect the Council from the risk of not having adequate liquidity or funding for the Council's capital plans.

Additionally, if this scrutiny process were absent the Council would not be compliant with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) or CIPFA's Code of Practice on Treasury Management.

## 7. Conclusion

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2018/19. As indicated in this report, none of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	This report secures the continued compliance with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) and CIPFA's Code of Practice on Treasury Management.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658586	November 2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2017/18 – 2021/22	Council meeting 5th March 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

## Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators



## Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the counterparty being able to pay back a loan.
Liquidity	As assessment of how readily available an investment is. It is safer to invest in liquid assets because it is easier for an investor to get their money out of the investment.
Minimum Revenue Provision (MRP)	The minimum amount that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.
Public Works Loan Board (PWLB)	PWLB is part of HM Treasury and lends money to local authorities.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Bail-in	A bail-in takes place before bankruptcy and under current proposals, certain types of depositors would suffer a reduction in the amount of their deposit that would be returned to them whilst other classes of investor would not.
Prudential Borrowing	Borrowing that is not funded via the Revenue Support Grant or other grant aid system but rather from the Council's own resources, this is conditional that prudence is demonstrated.

## **Treasury Management and Prudential Indicators Frequently Asked Questions**

### **1. What is the difference between capital expenditure and capital financing requirement?**

Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of tangible fixed assets, subject to a de minimis level of £10,000. It includes expenditure on land, buildings and vehicles.

The Capital Financing Requirement (CFR) is the level of total funding that is required to fund the capital programme. The actual level of external borrowing may be lower than the CFR as a consequence of the use of internal borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.

### **2. What does the term 'financing' mean?**

The term 'financing' does not refer to the payment of cash but the resources that will be applied to ensure that the capital payment amount is dealt with over the longer term. A number of financing options are available to Councils:-

- capital receipts (e.g. sale of land or buildings)
- contribution from revenue expenditure
- capital grant
- contribution from a third party
- borrowing
- contribution from earmarked reserves

### **3. Does the Council link long term loans to particular capital assets/projects?**

The Council does not directly associate loans with particular capital assets/projects, as it is not best practice. The Council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy and practices. This is best practice in line with the CIPFA Prudential Code.

### **4. What does the term 'net borrowing should not exceed the total of the CFR' mean?**

Net borrowing will remain below the CFR to ensure that the Council is only borrowing for a capital purpose. The Council is permitted to borrow in advance for a capital purpose over the medium term. The term 'total of the CFR' is the CFR of the current year plus increases in the CFR of the previous financial year and next two financial years. In other words, the total of the Council's existing assets, plus additions to assets resulting from forecast Capital Programme expenditure, e.g. vehicles. This gives the Council some headroom to borrow early for a capital purpose in order to secure low interest rates.

### **5. Is the cash that is being managed in-house revenue or capital?**

The short term surplus cash that is managed during the year in house may be revenue or capital, e.g. the Council may receive a capital receipt in April but capital expenditure is incurred throughout the year which gives rise to increased cash balances in the early part of the financial year which is invested short term by the in house treasury team. The Council receives Council Tax which is classed as revenue income. Council Tax income is typically received in the months of April to January as the majority of Council Tax payers make 10 instalments. Therefore, the Council has less cash in the months of February and March and may need to borrow cash short-term in line with the cash flow forecast.

### **6. What does the Council invest in?**

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 15(1) (a)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. This is in accordance with the Treasury Management Strategy approved on the 5th March 2018.

**7. What is the role of internal and external auditors in respect of treasury management?**

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to.

Through a process of review, the role of Internal Audit is to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are sufficiently mitigated. This will assist Treasury Management in meeting its desired objectives and help to ensure that the risk of fraud and/or error is minimised. Internal Audit will also look to identify other areas of potential risk which could usefully be included as well as any inefficiencies in existing processes and procedures where improvements can be made. Treasury Management is one of the core financial systems and as such is audited on a cyclical basis.

**8. What are the qualifications of Council staff involved in treasury management practices?**

Staff are either working towards or have achieved professional accountancy qualifications from CIPFA (Chartered Institute of Public Finance Accountants), ACCA (Association of Chartered Certified Accountants) or CIMA (Chartered Institute of Management Accountants). Staff work closely with the Council's Treasury Management Advisors and attend regular treasury training and updates (provided by the Treasury Management Advisor).

## Prudential Indicators

### 1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report 2018/19 as compared to the capital expenditure originally approved by Council.

**Table 1 Forecast Capital Expenditure**

Forecast Capital Expenditure	2018/19 Original Indicator £M	2018/19 Latest Estimate £M
Total	17.8	19.3

The above table shows the forecast capital expenditure for 2018/19. The increase in the latest estimate is a consequence of slippage from 2017/18 into 2018/19, re-phasing of a number of schemes (including the Fairhaven and Church Scar Coast Protection Scheme and Cemetery & Crematorium Infrastructure Works) and new schemes approved since the Budget Council meeting of March 2018.

### 1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing. The Council has existing borrowing of £1.0M and there is a requirement to finance £5.5M from internal cash resources.

**Table 2 Capital Financing Requirement (CFR)**

	2018/19 Original Indicator £M	2018/19 Latest Estimate £M
Total CFR	6.6	6.5

The latest estimate of the CFR is in line with the original approved indicator.

### 1.3 Gross Borrowing

The Council needs to ensure that its total capital borrowing does not, except in the short term, exceed the total of the CFR. Table 3 below shows that the Council will be able to comply with this requirement.

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR.

**Table 3 Gross Borrowing**

	2018/19 Original Indicator £M	2018/19 Revised Indicator £M
Existing Capital borrowing	1.0	1.0
Short Term Borrowing (Revenue)	2.0	0
<b>Gross Borrowing Indicator</b>	<b>3.0</b>	<b>1.0</b>
<b>CFR</b>	<b>6.6</b>	<b>6.5</b>
<b>Under Borrowing (Capital)</b>	<b>5.6</b>	<b>5.5</b>

The Gross Borrowing Indicator is lower than the original approved indicator, as the latest cash flow forecast does not require any short-term borrowing for day to day cash flow fluctuations. The Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2018/19, in line with advice from Treasury Advisors.

#### 1.4 Operational Boundary and Authorised Limit for External Debt

The Operational Boundary is based on the maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.

The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is a statutory limit which should not be breached.

There were no breaches to the Authorised Limit and the Operational Boundary to 30<sup>th</sup> September 2018.

**Table 4 Operational Boundary and Authorised Limit for External Debt**

	2018/19 Original Indicator £M	2018/19 Revised Indicator £M	Note
Existing Capital Borrowing	1.0	1.0	1
Short Term Borrowing (Revenue)	2.0	0.0	
<b>Gross Borrowing Indicator</b>	<b>3.0</b>	<b>1.0</b>	
<b>Operational Boundary</b>	<b>3.0</b>	<b>1.0</b>	1
Contingency	6.0	6.0	2
<b>Authorised Limit</b>	<b>9.0</b>	<b>7.0</b>	

Note

1. The Gross Borrowing Indicator and Operational Boundary have reduced as a consequence of there being no requirement to borrow in the short-term for day to day cash flow fluctuations. The Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2018/19.

2. The Authorised Limit includes £6.0M for 'contingency' which is an amount that has been estimated to provide scope to undertake short-term borrowing in the event of a service delivery failure or emergency, e.g. a failure to collect council tax income.

#### 1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31<sup>st</sup> March 2019.

**Table 5 Forecast Treasury Position**

At 31 <sup>st</sup> March	2018/19 Estimate £M	2018/19 Revised £M
Debt (Long-Term External Borrowing)	1.0	1.0
Investments	6.1	16.8

The Council has not undertaken any new external long-term borrowing as it is funding capital expenditure with internal borrowing (see Section 3 of the report).

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The increase in the level of investments at the 31<sup>st</sup> March from £6.1M to £16.8M is a consequence of the forecast timing of daily cash flows.

## 1.6 Forecast Interest

Table 6 shows the impact on the revenue budget of interest payable and investment income.

**Table 6 Forecast Interest**

Revenue Budget	2018/19 Estimate £M	2018/19 Revised £M
Interest payable on Borrowing	0.039	0.039
Investment Income	0.064	0.118

The interest receivable budget will be revised to incorporate a combination of higher cash balances and improved investment returns including the impact of the August increase in the bank base rate.

## 1.7 Adoption of the CIPFA Treasury Management Code

The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 1<sup>st</sup> December 2003, and adopted the revised Code on 1<sup>st</sup> March 2010.

## 1.8 Limits on Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

**Table 7 Interest Rate Exposures**

	2018/19 Original Indicator £M	2018/19 Revised Indicator £M
Limit on fixed rate debt	9.0	7.0
Limit on variable rate debt	1.0	1.0

The limits reflect that the Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to request new external borrowing during 2018/19.

## 1.9 Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing cost (interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 8.

**Table 8 Ratio of Financing Costs to Net Revenue Stream**

	2018/19 Original Indicator	2018/19 Revised Indicator
Ratio	6.3%	5.6%

Financing costs are based on the amount of interest payable and receivable as a percentage of the total net revenue stream of the Council. The latest estimate is lower than the original estimate due to an improved return on investment income.

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF SHARED INTERNAL AUDIT	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	8
<b>FIGHTING FRAUD AND CORRUPTION LOCALLY - THE LOCAL GOVERNMENT COUNTER FRAUD STRATEGY</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY

The report summarises the results of an assessment carried out to compare the Council's current arrangements with the Fighting Fraud & Corruption Locally – The Local Government Counter Fraud & Corruption Strategy to ensure that the Council continues to operate in accordance with best practice.

### RECOMMENDATION

That the Committee note the report.

### SUMMARY OF PREVIOUS DECISIONS

Not applicable

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

### BACKGROUND

1. Fighting Fraud and Corruption Locally is a strategy for English local authorities that is the result of collaboration by local authorities and key stakeholders from across the counter fraud landscape. Its production and subsequent implementation is overseen by an independent board, which includes representation from key stakeholders. The board commissioned the drafting and publication of the strategy from the CIPFA Counter Fraud Centre.

## REVIEW OF COMPLIANCE

2. The Strategy contains a checklist for local authorities to undertake to ascertain how their own arrangements meet the requirements contained within the Strategy.
3. This review has now been undertaken and the table at Appendix 1 lists the requirements of the Strategy and shows the extent to which they are already complied with or otherwise by the Council.
4. There are 5 requirements where the Council's arrangements could be strengthened and details of these are provided below:

Requirement	Further Action Required
The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	<p>The Corporate Fraud Team will develop the Business Plan for 2019/20 and report to Audit and Standards Committee.</p> <p>An annual report on the risk-based programme of fraud and corruption work will also be reported to Management and the Audit and Standards Committee.</p>
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2016 and this checklist.	Completion and presentation of a report to compare against this checklist on an annual basis.
Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported upon to committee.	Counter fraud staff will be consulted to fraud proof new policies, strategies and initiatives across the Council as and when they are reviewed / updated.
Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	Standard Contract for services will be reviewed and the requirement included. The need for contractors to be signed up to the Whistleblowing Policy to be also highlighted in the Guide for Buying for the Council.
There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The Corporate Fraud Team will develop the Business Plan for 2019/20 and report to Audit and Standards Committee.

5. All of the above actions are due to be implemented by the date contained within Appendix 1, and will be reflected when the checklist is reviewed again and presented to the Audit and Standards Committee in 2019.

IMPLICATIONS	
Finance	None arising from this report
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	This report and the contents of the attached appendix demonstrate how the Council currently manages fraud risks.



LEAD AUTHOR	CONTACT DETAILS	DATE
Dawn Highton	dawn.highton@fylde.gov.uk	18 <sup>th</sup> October 2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
CIPFA – Fighting Fraud and Corruption Locally	2016-2019	Internal Audit Office

Attached documents

Appendix A – Fighting Fraud and Corruption Checklist

**The Fighting Fraud & Corruption Checklist**

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
1.	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	<p>Fraud and corruption risks are considered when:</p> <ul style="list-style-type: none"> <li>▪ Undertaking the annual risk management identification and evaluation exercise;</li> <li>▪ Developing the internal audit plan;</li> <li>▪ Performing individual audit engagements;</li> <li>▪ Completing the annual CIPFA Fraud and Corruption Tracker (CFaCT) Survey;</li> </ul> <p>In addition, the Corporate Fraud Team (Shared Service) assess the level of fraud risk within each authority. The annual Business Plan contains areas of focus for the forthcoming year.</p>	Partly	<p>The Corporate Fraud Team will develop the Business Plan for 2019/20 and report to Audit and Standards Committee.</p> <p>An annual report on the risk-based programme of fraud and corruption work will also be reported to Management and the Audit and Standards Committee.</p>	<p>Corporate Fraud Manager – June 2019</p> <p>Corporate Fraud Manager – June 2019</p>
2.	The local authority has also undertaken horizon scanning of future potential fraud and corruption risks.	Both the Corporate Fraud Team and Internal Audit keep up-to-date on future potential of fraud and corruption risks by having access to various sources of intelligence, subscribing to various agencies including the National Ant-Fraud Network (NAFN)/Action Fraud and by attendance at various fraud awareness workshops and seminars.	Yes	No further action required.	N/A
3.	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2016 and this checklist.	Report compiled, to be presented to Audit and Standards Committee November 2018.	Partly	Completion and presentation of a report to compare against this checklist on an annual basis.	Shared Head of Internal Audit November 2019 / annually

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
4.	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	An Anti-Fraud and Corruption Strategy and Policy was last reviewed, updated and approved by the Audit and Standards Committee in September 2017.	Yes	No further action required.	N/A
5.	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	<p>The Council has various strategies and policies in place, for example:</p> <ul style="list-style-type: none"> <li>▪ Anti-Fraud and Corruption Strategy and Policy</li> <li>▪ Fraud Response Plan</li> <li>▪ Anti-Bribery Policy</li> <li>▪ Anti-Money Laundering Policy</li> <li>▪ Whistleblowing Policy</li> <li>▪ Contract Procedure Rules</li> <li>▪ Code of Conduct</li> <li>▪ Equality Policy</li> <li>▪ Disciplinary Policy Procedure</li> </ul>	Yes	No further action required.	N/A
6.	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	<p>The Council has a Risk Management Strategy in place and the risk of fraud and corruption is considered as part of the annual risk identification and evaluation process.</p> <p>The risk of fraud and corruption is also considered when developing the internal audit plan and performing individual audits.</p>	Yes	No further action required.	N/A

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
7.	Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported upon to committee.	The Shared Head of Internal Audit is responsible for maintaining the counter fraud and corruption policies. To date, the Corporate Fraud Team have not been consulted as part of an established process to fraud proof such policies across the Council.	No	Counter fraud staff will be consulted to fraud proof new policies, strategies and initiatives across the Council as and when they are reviewed / updated.	Shared Head of Internal Audit On-going
8.	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	The Council has established a control environment which includes arrangements for the prevention and detection of fraud and corruption. Through its annual programme of work, internal audit provides an annual opinion on the control environment and in particular the adequacy and effectiveness of the governance, risk management and internal control arrangements.	Yes	No further action required.	N/A
9.	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: <ul style="list-style-type: none"> <li>Codes of conduct including behaviour for counter fraud, anti-bribery and corruption</li> <li>Register of interests</li> <li>Register of gifts and hospitality.</li> </ul>	The Council has the following documents in place to ensure standards of conduct is achieved. <ul style="list-style-type: none"> <li>Anti-Fraud and Corruption Strategy</li> <li>Anti-fraud and Corruption Policy</li> <li>Members Code of Conduct (Includes register of interests, gifts and hospitality)</li> <li>Officers Code of Conduct (Includes register of interests, gifts and hospitality)</li> <li>Anti-Money Laundering Policy.</li> </ul>	Yes	No further action required.	N/A

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
10	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in <i>FFCL 2016</i> to prevent potentially dishonest employees from being appointed.	<p>The recruitment process includes the following pre-employment checks to prevent potentially dishonest employees from being appointed:</p> <ul style="list-style-type: none"> <li>▪ Obtaining references</li> <li>▪ Verifying qualifications</li> <li>▪ Disclosure and Baring Service (DBS) checks, where necessary.</li> </ul> <p>Also, newly appointed employees are also subject to a satisfactory 6 month probationary period.</p>	Yes	No further action required.	N/A
11	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	<p>Members are advised of the Code of Conduct as part of their induction and in particular about the requirement to disclose interests, gifts and hospitality. Such declarations are published on the Council's website.</p> <p>Staff are periodically reminded of the Officer's Code of Conduct and the requirement to disclose gifts and hospitality.</p> <p>Internal audit reviews the adequacy and effectiveness of the arrangements in place from time to time, as part of a risk-based approach to audit work. Furthermore, the officer's gifts and hospitality register is open to inspection by the Audit and Standards Committee.</p>	Yes	No further action required.	N/A

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
12	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	Members of the Corporate Fraud Team, who are suitably trained, have a planned annual programme of work, which includes fraud awareness training, to ensure a strong counter fraud culture across all directorates and teams.	Yes	No further action required.	N/A
13	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Where appropriate, the results stemming from investigations into suspected cases of fraud and corruption are publicised as a deterrent to potential fraudsters.	Yes	No further action required.	N/A
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	Human Resources has overall responsibility for the maintenance and operation of the Whistleblowing Policy, which was last reviewed and updated in September 2016. Details of any concerns raised, actions taken and outcomes are recorded by the Head of Internal Audit and reported to the Audit and Standards Committee.	Yes	No further action required.	N/A
15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	Although contractors working for the Council on Council premises, for example, agency staff, consultant, builders and maintenance staff, may use the Whistleblowing Policy to make the Council aware of any concerns with regard to any contractual or other arrangements with the Council, they are not required to sign up to it.	No	Standard Contract for services will be reviewed and the requirement included. The need for contractors to be signed up to the Whistleblowing Policy to be also highlighted in the Guide for Buying for the Council.	Head of Governance  December 2018

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
16	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	The structure of the Corporate Fraud Team was based on anticipated fraud risks facing the Council. Resources are monitored to ensure it is proportionate to the level of perceived risk.	Yes	No further action required.	N/A
17	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	<p>The Corporate Fraud Team produce a business plan each year which sets out the priorities for the coming year, provides direction as to how the service will achieve these.</p> <p>This will be presented to the Audit and Standards Committee in June 2019.</p>	Partly	The Corporate Fraud Team will develop the Business Plan for 2019/20 and report to Audit and Standards Committee.	Corporate Fraud Manager – June 2019
18	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	<p>Internal Audit maintains records of suspected frauds and details of subsequent actions. The outcome of such actions are reported to Management and the Audit and Standards Committee, as part of the internal audit annual report.</p> <p>Similarly, overpayments identified/savings resulting from work undertaken by the Corporate Fraud Team and are reported as part of the Internal Audit Annual Report. Furthermore, in accordance with the Local Government Transparency Code fraud statistics are published annually on the Council's website.</p>	Yes	No further action required.	N/A

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
19	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	If required, the Corporate Fraud Team can access premises and documents during an investigation.	Yes	No further action required.	N/A
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	Directors circulate information points each week to all staff and Members to highlight directorate news that week. Successful fraud and corruption cases may be publicised in this way where appropriate.	Yes	No further action required.	N/A
21	All allegations of fraud and corruption are risk assessed.	All allegations of internal fraud and corruption are risk assessed in accordance with the Anti-Fraud and Corruption Strategy.	Yes	No further action required.	N/A
22	<p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> <li>▪ Prevention</li> <li>▪ Detection</li> <li>▪ Investigation</li> <li>▪ Sanctions</li> <li>▪ Redress.</li> </ul>	The Anti-Fraud and Corruption Strategy covers all areas of counter fraud work, including prevention, detection, investigation, sanctions and redress.	Yes	No further action required.	N/A
23	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	The Annual Internal Audit Plan contains a contingency element for requests from senior officers for investigations / unplanned reviews requiring an immediate response.	Yes	No further action required.	N/A
24	Asset recovery and civil recovery is considered in all cases.	The Anti-Fraud and Corruption Strategy and Policy seeks to maximise recoveries for the Council through agreement, repayment, court action, penalties etc.	Yes	No further action required.	N/A



	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
25	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	The Anti-Fraud and Corruption Strategy and Policy clearly states the Council's zero tolerance approach.	Yes	No further action required.	N/A
26	There is a programme of proactive counter fraud work which covers risks identified in assessment.	The Corporate Fraud Team (Shared Service) assess the level of fraud risk within each authority. The annual Business Plan contains areas of focus for the forthcoming year.	Yes	No further action required.	N/A
27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	The Corporate Fraud Team has established partnership working and relationships with other agencies such as the DWP, police, and participates in Operation GENGA, a Home Office led multi agency approach to dealing with serious organised crime.	Yes	No further action required.	N/A
28	The local authority shares data across its own departments and between other enforcement agencies.	Data sharing protocols exist such as the National Fraud Initiative (NFI) exercises. Data can also be shared with other in-house departments and other enforcement agencies under Schedule 2, Part 1, Paragraph 2 (1) (a) of the Data Protection Act 2018.	Yes	No further action required.	N/A
29	Prevention measures and projects are undertaken using data analytics where possible.	Internal Audit have used IDEA for some elements of ongoing audit work. The use of data analytics is considered and is used where this measure is deemed to be effective.	Yes	No further action required.	N/A
30	The local authority actively takes part in the NFI and promptly takes action arising from it.	The Council actively takes part in the NFI on both nationwide and pilot exercises where possible and The Corporate Fraud Team investigate data matches promptly.	Yes	No further action required.	N/A

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	Corporate Fraud Team Investigators have all obtained the Governments PINS (Professionalism in Investigations) accreditation and two Investigators have also obtained the CIPFA Accredited Counter Fraud Specialist Qualification. The Fraud Manager has PINs and PINs Manager qualifications and BTEC diplomas in Investigation and Investigation Management.	Yes	No further action required.	N/A
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	Whilst the programme of fraud activity is predominantly revenues based, the Corporate Fraud Team do have adequate knowledge in all areas of the Council which is supported by Internal Audit where necessary.	Yes	No further action required.	N/A
33	<p>The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> <li>▪ Surveillance</li> <li>▪ Computer forensics</li> <li>▪ Asset recovery</li> <li>▪ Financial investigations.</li> </ul>	Policies and procedures allow the Corporate Fraud Team to source more specialist resources when required.	Yes	No further action required.	N/A
34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	At the conclusion of an investigation, a report is prepared, recommended improvements are agreed with management and monitored for implementation by Internal Audit. The benefits of sharing weaknesses found with other departments to strengthen the internal control environment is considered on a case by case basis.	Yes	No further action required.	N/A

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CORPORATE FRAUD MANAGER	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	9
<b>CORPORATE FRAUD TEAM – NATIONAL FRAUD INITIATIVE UPDATE</b>			

### PUBLIC ITEM

This item is for consideration in the public part of the meeting.

### SUMMARY OF INFORMATION

The report is intended to inform Members on Fylde's work on the National Fraud Initiative. This includes performance on biennial matches, yearly matches and an update on a pilot scheme designed to identify business rates fraud. Information is also included on other business rates investigations undertaken by the Corporate Fraud Team. A recently published report from the Cabinet Office providing information on the National Fraud Initiative nationally, for period 1st April 2016 to 31st March 2018, is attached as appendix A.

### SOURCE OF INFORMATION

Corporate Fraud Manager

### LINK TO INFORMATION

[National Fraud Initiative Update](#)

[National Fraud Initiative Report – Appendix A](#)

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The report is relevant to the Committee's terms of reference.

### FURTHER INFORMATION

Andrew Taylor, Corporate Fraud Manager, [a.taylor@preston.gov.uk](mailto:a.taylor@preston.gov.uk), 01772 906013.

# INFORMATION NOTE

## Corporate Fraud Team National Fraud Initiative Update



### REPORT

#### 1. Introduction

This report is intended to provide Members with information on the National Fraud Initiative (NFI) work done by the Corporate Fraud Team on these data matches and Fylde's participation in a NFI pilot scheme relating to business rates. Information has also been included about other pro-active business rates related projects carried out by the Corporate Fraud Team during the previous year. The report introduces a report on the NFI, published by the Cabinet Office, relating to the 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018.

#### 2. The Corporate Fraud Team

The Corporate Fraud Team is hosted by Preston City Council, which operates a counter fraud shared service between Preston, Lancaster and Fylde Councils and began on 1<sup>st</sup> June 2015. The team consists of a manager, two investigators and two administrative staff. The team is responsible for counter fraud work across the three authorities, with the exception of housing benefit fraud, which is the responsibility of the Department for Work and Pensions (DWP).

#### 3. The National Fraud Initiative

The National Fraud Initiative (NFI) is a biennial (every two years) event run by the Cabinet Office which matches a number of Council datasets with each other and also with datasets from other public bodies. Additionally the Cabinet Office issue an annual data match to identify council tax single person discount fraud and error. Access to the matches is made via a secure website. Participation is mandatory for Local Authorities in England.

##### 3.1 Biennial Matches

The last full NFI exercise was conducted in 2016/17, with data regarding matches being received on 26th January 2017. Datasets matched include council tax, pensions, housing benefits, council tax reduction scheme, trade creditors, payroll, housing waiting lists and council house right to buy data. The Corporate Fraud Team undertook a sift of all recommended matches. Fylde received 28 non housing benefit recommended matches and of these found only one case with an issue, producing an overpayment of £125.17. There were a further 39 recommended housing benefit matches. As the Council no longer has powers to prosecute housing benefit fraud, any cases where fraud was suspected were referred to the Department for Work and Pensions to investigate further. Data has now been uploaded for the 2018/19 exercise with Fylde Council's matches due to be released on 31<sup>st</sup> January 2019.

##### 3.2 Annual Matches

Annually the Cabinet Office matches Council electoral roll data against council tax single person discount (SPD) records. The Council receives a match when council tax SPD is in payment, but there are two or more adults registered to vote at an address. As a result of this exercise, so far this year the Council has removed 33 council tax discount awards, with a total value of £27,370.65.

### **3.3 Pilot Scheme Matches**

Fylde recently volunteered to participate in a NFI pilot exercise to identify business rates fraud. We have formed a local data matching hub with Preston City Council, Lancaster City Council, South Ribble Borough Council, Chorley Borough Council and South Lakeland District Council. Councils submitted datasets for business rates, trade creditor and licencing information. The information submitted only relates to limited companies and as such does not contain any personal data. This data has also been matched against other datasets obtained by the Cabinet Office. Sources include Ordinance Survey records, Food Standards Agency, the Charities Commission and Companies House. The objective is to identify false claims for small business rates relief (SBRR), discretionary and mandatory charitable relief and also business premises that do not appear on the local rating list, where they should have a liability for business rates. The Corporate Fraud team is currently in the process of sifting these matches to identify which cases warrant further investigation.

### **4. Pro-Active Business Rates Work 2017/18 and 2018/19**

From 1<sup>st</sup> January 2018 the Corporate Fraud team has identified incorrect SBRR and additional business rates liabilities in Fylde, totalling £73,317.98. There are also additional projected future savings of £42,807.44. This has been achieved by undertaking pro-active work to check SBRR claims and a series of visits to check that business premises attracting SBRR awards are actually occupied, which is a requirement of the scheme. This is a new area of work for Local Authority counter fraud teams and Fylde, Preston and Lancaster Councils are gathering a reputation as being at the cutting edge of business rates counter fraud work. The team recently undertook only the second prosecution nationally for SBRR, relating to a case in the Lancaster City Council area.

### **5. National Fraud Initiative Report**

On 5<sup>th</sup> September 2018 the Cabinet Office published a NFI report for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018, this is attached as Appendix A, for information.

### **FURTHER INFORMATION AVAILABLE FROM**

Andrew Taylor, Corporate Fraud Manager, [a.taylor@preston.gov.uk](mailto:a.taylor@preston.gov.uk) , 01772 906013.



Cabinet Office



# National Fraud Initiative Report

1 April 2016 to 31 March 2018

# Foreword

The risk of fraud is a challenge that all organisations and individuals face. The public sector is no different. Fraud is a hidden crime, with those who commit fraud actively trying to avoid detection, so we must proactively look for it. The Government set out its commitment to do just this in the [Cross-Government Fraud Landscape Annual Report](#) published in September 2017.

The National Fraud Initiative, the Cabinet Office's data matching service, has enabled participating organisations to prevent and detect over £300 million fraud and error in the period April 2016 to March 2018. This is a record for the NFI in any reporting period since its creation in 1996, and brings cumulative outcomes to £1.69 billion. This is a signal of how seriously the government is taking the challenge that it set itself - to find and tackle fraud in the public sector and protect vital public services.

These record outcomes are due to the hard work of staff at the 1,200 public and private sector organisations that participate in the National Fraud Initiative. I applaud them all, but we will not be complacent. We all need to continue to challenge ourselves and our organisations to ensure we are all committed to look for this hidden crime and the proactively identify fraud and error.

As part of this report, the Cabinet Office is launching the NFI's strategy for the next four years. This will help ensure the NFI is best placed to continue supporting organisations. At the core of this strategy is the need for collaboration and innovation. The strategy seeks to ensure the NFI continues to provide users with flexible and sophisticated fraud prevention and detection tools that achieve results quickly and efficiently that the NFI is renowned for across the UK.

Through continued commitment to develop the National Fraud Initiative, and work with its users to enable them to get the most out of it, the Government is renewing its drive to seek out fraud in public services, and ensure that taxpayers' money is spent where citizens need it most.

**Chloe Smith**  
**Minister for the Constitution**

# National Fraud Initiative Report

1 April 2016 to 31 March 2018



This report sets out the results of the NFI in the period 1st April 2016 to 31 March 2018, and follows on from our [last report](#), published in November 2016.



# NFI overview

The National Fraud Initiative (NFI) is a data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud.

Data for the NFI is provided by some 1,200 participating organisations from the public and private sectors including government departments. The NFI works with public audit agencies in all parts of the UK.

Data matching involves comparing sets of data electronically, such as the payroll or benefit records of a body, against other records held by the same or another body to see how far they match. The data is usually personal information. The data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency that requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out. All bodies participating in the Cabinet Office's

data matching exercises receive a report of matches that they should investigate, so as to detect instances of fraud, over- or under-payments, and other errors, to take remedial action and update their records accordingly.

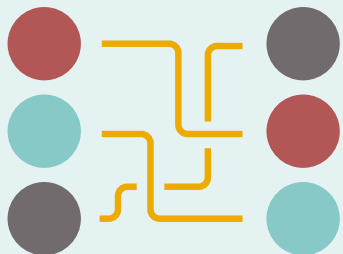
The NFI is conducted using the data matching powers bestowed on the Minister for the Cabinet Office by Part 6 of the Local Audit and Accountability Act 2014 (the Act). It does not require the consent of the individuals concerned under current data protection legislation. There are certain public sector bodies that are required to provide data for the NFI on a mandatory basis. In addition, bodies can provide data to the Cabinet Office for matching on a voluntary basis under schedule 9, 3 of the Act.



# NFI products

## National

Data is collected from organisations across the UK for national fraud detection batch matching. Matches are accessed through a secure web application.



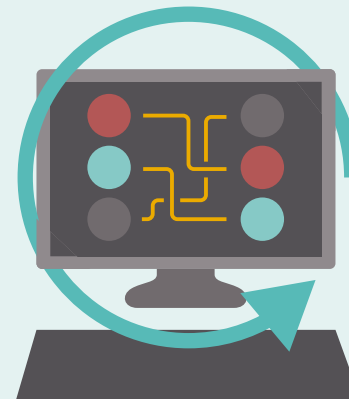
## AppCheck

Fraud prevention tool that helps organisations to stop fraud at the point of application, thereby reducing administrative and future investigation costs.



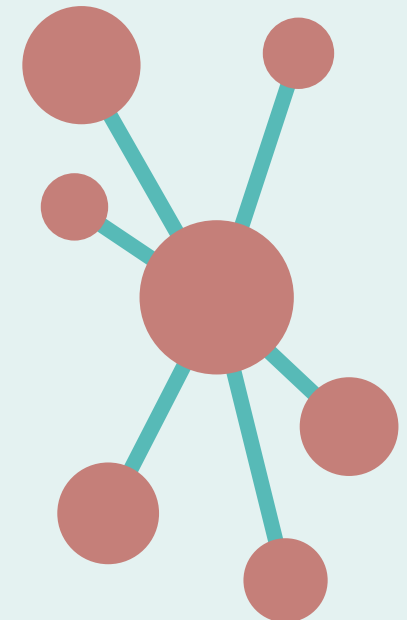
## ReCheck

Flexible batch matching tool that allows an organisation to repeat national batch matching at a time to suit them.



## FraudHub

FraudHub enables groups of organisations to regularly screen more than one dataset with the aim of detecting errors in processing payments, or benefits and services.



You can find AppCheck case studies [here](#)

# Cost of running the NFI

## Main Expenditure



### IT

Delivered under contract by an external supplier



### Staff

Cabinet Office NFI team has eight members of staff

Two years

cost  
**£2.7m**

fee  
**£2.8m\***

## Example Fees

London borough council

**£4,150**

Mid-sized council

**£2,200**



outcome  
**£301.2m**

fee  
**£2.8m**

\*These fees have not been increased for 10 years

# Our strategy



## Our mission

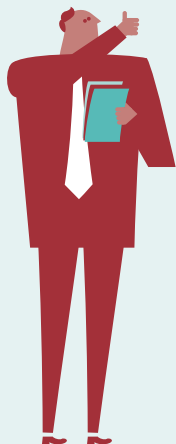
To better protect the public services from fraud and error by helping to find and minimise loss.



## Our vision

To provide the best deal for the taxpayer by helping tackle fraud and error, through improved access to data and analytics techniques via sophisticated fraud prevention and detection solutions that achieve results quickly and efficiently.

Operating in a fastpaced, dynamic environment, we will work with customers and stakeholders across the public and private sector to provide capability to best allow them to prevent, disrupt, deter, discover and punish fraud and error.



## Our strategy identifies strengths and challenges

### Strengths:

- trusted brand
- track record for delivering outcomes efficiently
- delivers flexible solutions in response to emerging fraud risks
- matches across UK to detect and prevent fraud
- a record £301 million in most recent two-yearly exercise



### Challenges:

- counter fraud landscape moves at a fast-pace
- counter fraud strategies now focus more on fraud prevention, so customers are seeking faster solutions embedded into internal controls
- advanced technology has led to customers being offered a wide range of alternative solutions
- customers are less satisfied with a 'one size fits all' national approach
- the solutions need to be tailorable to meet local needs
- the data the NFI holds is a snapshot of a point in time and is only periodically refreshed

# Our strategy objectives

In response to the strengths and challenges, our objectives for the next four years will leave the NFI best placed to help deliver benefits to public sector bodies in their fight against fraud.



**1.** Better targeting existing and new fraud risks



**2.** Improving communication and engagement with users to better understand and meet customer need



**3.** Increasing both the volume and frequency of data that is used in, or accessed through, the NFI



**4.** Embracing new technologies and techniques to improve existing and develop new products



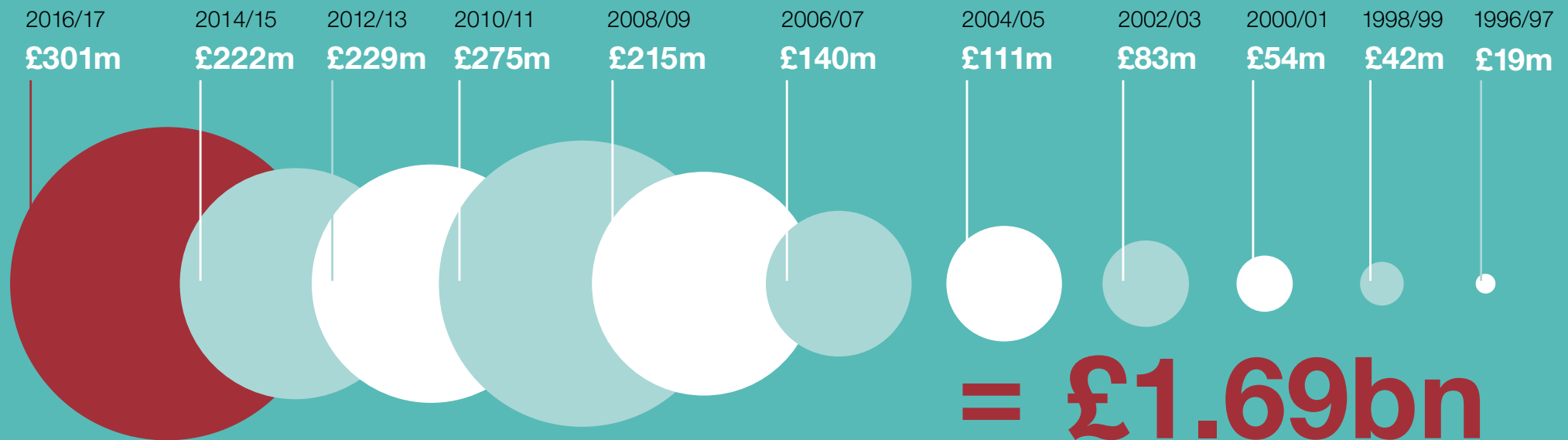
**5.** Securing the extension to legislative purposes to increase the usage and impact of the NFI

# Fraud, overpayments and errors identified and prevented

1 April 2016 to 31 March 2018



## The UK broken down into years



Where applicable, amounts included in this report have been rounded to an integer, 0.5 and above were rounded up; under 0.5 rounded down.

# The headlines

The main categories of fraud identified by the NFI in England relate to:

**£144.8m**

of pension fraud  
and overpayments

**£32.6m**

of fraudulent, or wrongly  
received, council tax  
single person discount

**£24.9m**

of housing benefit fraud  
and overpayment



The exercise also produced the following significant results in England:

**58**

social housing  
properties recovered

**7,601**

false applications were  
removed from housing  
waiting lists

**234,154**

concessionary travel  
passes were cancelled

**1,613**

cases of incorrect  
Council Tax reduction  
were identified

**31,223**

blue badges were  
revoked or withdrawn

**275**

cases where a council  
continued to make  
mistaken payment  
to private care homes  
for deceased persons

# NFI outcomes in England by risk area



## Pensions

£144.8m £85.1m



## Council Tax

£32.6m £37.4m



## Waiting lists

£25.5m £1.0m



## Housing benefits

£24.9m £39.2m



## Blue badges

£18.0m £13.2m



## Concessionary travel

£5.6m £2.2m



## Tenancy fraud

£5.5m £5.0m



## Council Tax Reduction Scheme

£2.8m -



## Residential care homes

£4.4m £3.5m



## Trade Creditors

£4.3m £4.5m



## Payroll

£4.0m £5.0m



## Right to Buy

£1.0m £0.3m



## State benefit

£0.9m -



## Personal budgets

£0.5m £0.5m



## Other

£0.3m £1.3m

## Total

£275.3m £198.2m

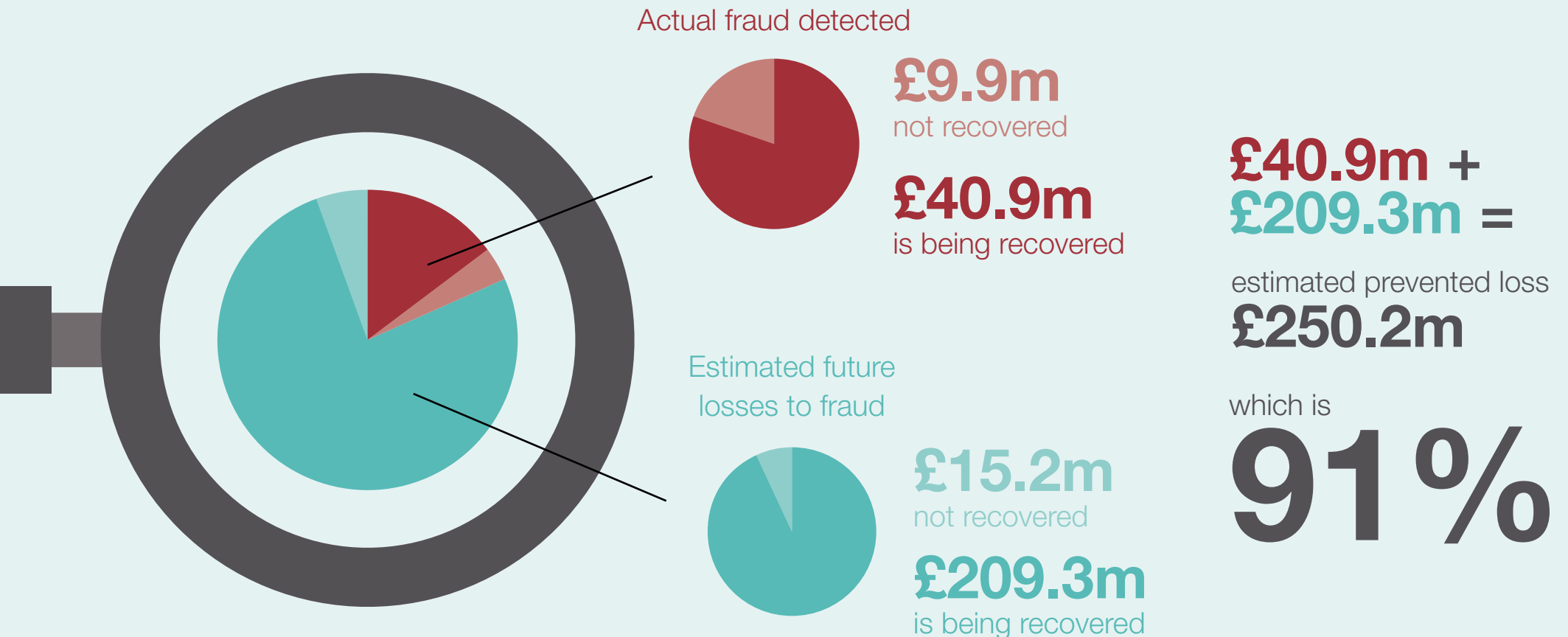
■ 2018 ■ 2016



# Recovery rate/impact of the NFI on the public finances

# £275.3m

the total amount of fraud, overpayments and errors identified and prevented by the NFI in England during the period 1 April 2016 to 31 March 2018.



# Key messages for 2016 – 2018

## Pensions: £144.8 million

Individuals obtaining the pension payments of a dead person



- Pensions has seen a significant increase in outcomes to £144.8 million, an increase from £85.1 million in 2014/15.
- This can be attributed to an increase in the numbers of deceased person cases identified as well as work with large public sector pension schemes to improve the frequency and quality of outcomes reporting. Some bodies have also opted to undertake more regular matching through the NFI mortality screening service.
- The ratio of actual overpayments to estimated savings from preventing overpayments has changed since 2014/15, with actual overpayments £4 million lower than the previous exercise and future losses prevented up by £89 million.
- The increase in bodies undertaking more regular matching is a key factor in this, although improvements to deceased matching have also contributed, including:
  - reducing the time between data submission and match release, enabling incorrect pension payments to be identified and stopped more quickly
  - enhancing match reports to enable users to action the best quality matches more easily

### Case study



#### Civil Service Pensions

The NFI continues to produce high-quality matches that enable public sector pension schemes to combat fraud and reduce error. For example, following investigation of pension matches to deceased records, Civil Service Pensions were able to identify overpayments in excess of £2 million.

As at 31 March 2018, £700,000 had already been recovered and work is in progress to recover the remaining amount.

# Key messages for 2016 – 2018

## Council Tax: £32.6 million

Individuals who did not qualify for the Council Tax single person discount because they were living with other countable adults



- Council Tax single person discount (SPD) matching is carried out annually.
- Over the last two annual exercises, the NFI match to tackle Council Tax SPD abuse has once again provided substantial returns for councils, although following the recent trend, these have fallen slightly.
- Council Tax outcomes from the 2016/17 exercise stand at £32.6 million (£37.4 million in 2014/15) and over 30,000 SPDs (37,825 in 2014/15) have been cancelled as a result.
- As part of our drive to continually enhance the NFI, we introduced two new data matches during 2016/17. We will undertake a full analysis of the outcomes from these two additional matches and also work closely with councils to fully understand the impact of whether or how they enable councils to more effectively target SPD fraud.
- The new matches are detailed below:
  - Following a successful pilot, we matched all SPD claims against a wider range of NFI datasets. To date, over 1,000 SPDs have been cancelled as a result of this report.
  - In response to survey feedback, we partnered with Equifax to launch an enhanced CTSPD service in December 2017, that combines both public and private sector data to give a comprehensive and robust view of the SPD claimants household composition. To date 13 councils have utilised this service.

# Key messages for 2016 – 2018

## Housing waiting lists: £25.5 million

Social housing waiting list applicants who were not entitled to social housing because they had misrepresented their circumstances



- Housing statistics show that there are 1.15 million households on local authority social housing waiting lists, so removing applicants who are not eligible for social housing will enable councils to allocate social housing to those in genuine need.
- In line with the NFI strategy to target more preventative data matching, a pilot data match was undertaken and the outcomes were reported in our November 2016 national report.
- The success of the pilot in helping councils to remove over 3,000 applicants from their housing waiting lists meant that this was rolled out as a core match for the 2016/17 exercise.
- As a result of this match, 7,601 applications for social housing have been removed by councils during 2016/17. Over half of these applications were cancelled by one council, suggesting that the impact of this match could be much greater. Going forward, we will work with councils on this as part of a wider review in to how NFI can better target social housing fraud.
- We apply an estimate of £3,240 per case for future losses prevented as a result of removing an applicant from council housing waiting list.

# Key messages for 2016 – 2018

## Housing benefit: £24.9 million

Individuals claiming housing benefit who failed to declare an income or change of circumstances



- Housing benefit outcomes are £24.9 million, compared with the 14/15 figure of £39.2 million. A decline in overpayments was expected given a number of factors:
  - transition of housing benefit claimants over to Universal Credit (UC) HB claimants have reduced by almost 350,000 between the October 2014 and October 2016 data submissions;
  - completion of transfer of housing benefit investigation staff from local authorities to DWP under the Single Fraud Investigation Service (SFIS)
  - embedding of Department for Work and Pensions (DWP) / Her Majesty's Revenue and Customs (HMRC) Real Time Information (RTI) solution which compares Pay As You Earn (PAYE) and welfare benefits to identify overpayments
- Housing benefit overpayments identified through matching to student loans continues to generate the most outcomes. Over 1,300 cases were identified with an actual overpayment value of £6.7 million. This represents 37% of the total housing benefit overpayments.
- DWP and the NFI undertook a joint review of how the DWP utilise the NFI to identify any actions and learnings. The review initiated a repeat run of Housing benefit to student loans matching in autumn 2017 to capture data for students commencing their first year of study in September 2017, and to also refine the matching to better exclude false positives. Outcomes from this exercise continue to be reported by DWP, but indications are that the proportion of NFI matches being referred onwards for investigation have increased. For example, 40% of housing benefit to student loan matches referred to DWP compliance, an overpayment was identified.
- We continue to work closely with the DWP to ensure we maximise the benefits of the NFI, in line with the NFI strategic themes. Ongoing work includes undertaking pilot matching for UC and further adapting current matching to add additional insight, reduce false positives and improve prioritisation of matches.

### Case study



#### Mole Valley District Council

A housing benefit to student loans match identified a student who had failed to declare his student finance to Mole Valley District Council. Enquiries into the match revealed that not only had the student failed to declare a change in circumstance, but so too had his partner when she failed to declare her NHS bursary. The student accepted a caution from Mole Valley District Council as he had failed to promptly declare a change of circumstance, contrary to Regulation 8 of the Council.

Tax Reduction Schemes (Detection of Fraud and Enforcement (England) Regulations 2013. Mole Valley District Council is in the process of recovering just under £12,500.

# Key messages for 2016 – 2018

## Blue badges: £18 million

Potential misuse of blue badge parking passes belonging to someone who had died



- As at 31 March 2017 there were 2.38 million Blue badges in England, 887,000 of these were issued between 1 April 2016 and 31 March 2017. Fraudsters exploit the Blue Badge scheme by forging badges and stealing badges from cars. Abuse also occurs when badges remain in use, or are renewed by someone, after a badge holder has died. In England, there was a total of 1,131 individuals prosecuted in 2016/17. The majority of prosecutions (98%) in England were targeted at a non-badge holder using another persons' badge.<sup>1</sup>
- During this reporting period, the number of blue badges cancelled significantly increased to 31,223 from 23,063 in 2014/15. In 2016/17 the number of passes cancelled was 31,223. This increased from 23,063 in 2014/15. The estimated value of blue badges cancelled between reporting periods has also therefore increased from £13.2 million to £18 million, an increase of 36%.
- For the 2016/17 exercise we worked closely with the Blue Badge Improvement Service (BBIS) so they were able to submit data to the NFI on behalf of councils in England, Scotland and Wales.

<sup>1</sup> Department for Transport, [Blue Badge Scheme Statistics, England: 2017](#), Department for Transport, February 2018

# Key messages for 2016 – 2018

## Concessionary travel: £5.6 million

Potential misuse of concessionary travel passes belonging to someone who has died



- The number of concessionary passes updated, cancelled or hot-listed (stopping/deactivating the deceased matched cards) in 2016/17 as a result of an NFI match was 234,154, an increase from 97,064 in 2014/15. As a result, the estimated value of fraud losses prevented in the same reporting period more than doubled from £2.2 million in 2014/15 to £5.6 million in 2016/17.
- For the 2016/17 exercise we worked closely with a number of businesses administering the concessionary travel passes for multiple local authorities. This has contributed significantly to the increased impact.<sup>2</sup>
- The Department for Transport reported that in 2016/17 there were 9.8 million older and disabled concessionary travel passes in circulation, a decrease of 1.1% from 2015/16, the first decrease in three years.<sup>3</sup> Whilst we cannot directly link the higher number of passes cancelled, updated or hotlisted to the first decrease in the total number of concessionary travel passes in circulation seen over the last three years, it is worth noting.

<sup>2</sup> Department for Transport, [Concessionary travel Statistics 2016/17](#), Department for Transport, 14 December 2017

<sup>3</sup> Department for Transport, [Concessionary travel Statistics 2016/17](#), Department for Transport, 14 December 2017

# Key messages for 2016 – 2018

## Tenancy fraud: £5.5 million

Social housing tenants who were subletting, were not entitled to social housing because of their status in the UK, or had multiple tenancies unlawfully



- The [Annual Fraud Indicator](#) 2017 highlights that housing tenancy fraud costs local government £1.83 billion. This has increased from the £1.76 billion quoted in 2016.
- Despite social housing being a significant fraud risk for councils, we have only seen a small increase in the number of properties recovered by social landlords as a result of the NFI data matches. This was 58 in 2016/17 compared to 54 in 2014/15.
- Although each property recovered can be reallocated to those in genuine need, it is clear the NFI needs to do more to help councils fight social housing fraud.
- There were some improvements in 2016/17, specifically:
  - using the combined Council Tax and Electoral Register data to help identify an individual's current residence
  - the new social housing waiting list fraud data match that led to 7,601 applications for social housing being removed by councils during 2016/17
- Building on this we now intend to work closely with councils and key stakeholders to undertake a full review into how NFI can better target social housing fraud.

### Case study



#### Royal Borough of Greenwich

An NFI housing tenancy to housing tenancy match showed two matching tenancies between two London boroughs. Investigations in the Royal Borough of Greenwich showed their tenant had used false identity documents to gain a one bedroom flat in May 2013; claimed housing benefit; used the same documents to gain employment as a waste operative in the borough four years earlier, in October 2009 (he was no longer in that employment at the time of the investigation). The Royal Borough of Greenwich evicted the tenant from the property in February 2017 and he was prosecuted and sentenced at Woolwich Crown Court on 4th October 2017 to 33 months imprisonment. In total the man had received in excess of £60,000 in employment and housing benefit payments.

#### Portsmouth City Council

A housing tenants to housing benefit match identified a tenant in a property owned by Portsmouth City Council. The tenant had however been claiming housing benefit in excess of £150 per week for a different property in a nearby authority area since January 2016. The match revealed the tenant had let the property from Portsmouth City Council in February 2013, but investigations found the tenant's partner had been subletting the Portsmouth property for up to two years. The council sought a prosecution in October 2017 and the property was successfully recovered.



# Key messages for 2016 – 2018

## Residential care homes: £4.4 million

Payments to private care homes by the councils for the care of a resident where the resident had died



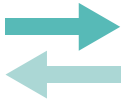
- The number of cases resulting in outcomes is similar to that recorded in the previous exercise. There were 275 cases in 2016/17 compared to 263 in 2014/15.
- However, the resulting outcomes (actual and estimated) have increased by 26% from £3.5 million to £4.4 million.
- Over a quarter of the financial outcomes recorded came from councils using the NFI ReCheck product to undertake more regular matching to target residential care home fraud and error.



# Key messages for 2016 – 2018

## Trade creditor payments: £4.3 million

Traders who intentionally or unintentionally submitted duplicate invoices for payment



Creditor payments matches continue to produce significant outcomes with over £4.3 million of wrongly paid duplicate invoices identified. Although this is a slight reduction from the previous exercise, the case study below provides an example of how valuable the matching can be.

### Case study



#### Suffolk County Council

The NFI helped Suffolk County Council identify and recover duplicate invoice payments totalling £142,500, and £122,000 in overpayments to residential care providers for people who had died.

The council was also able to cancel 3,671 concessionary travel passes and 289 blue badges as the holders had died, but the council were not made aware until NFI highlighted them.

There was no cost to the taxpayer, but the council now plans to strengthen controls to reduce the number of errors in future.

# Key Messages for 2016 – 2018

## Payroll: £4 million

Employees working for one organisation while being on long-term sick leave at another or obtaining employment while not entitled to work in the UK



- Payroll outcomes for England 2016/17 total £4 million, compared with the 14/15 total of £5 million.
- The NFI released a new report that compares payroll to Companies House data, to identify potential undeclared interests that may give a financial advantage. This match highlighted where an employee's address appeared to have links to a company or its directors.
- As a result of the new match, 129 cases with undeclared interest were identified.
- This was a new dataset for 2016/17. Because of this success, we will continue to include this in future NFI exercises.

### Case study



#### Birmingham City Council

A Revenues Officer at Birmingham City Council appeared on a NFI match to CIFAS Known Fraud Data. An investigation revealed that the employee had concealed previous employment history, having resigned during a disciplinary investigation. This was not declared to Birmingham City Council when applying for his current job. It was discovered he hid his employment history on two further occasions when asked to make annual declarations as part of the council protocols. The employee was dismissed following a disciplinary hearing.

Birmingham City Council spokesperson said “This case would not have been found without the NFI match being undertaken”.

#### Anonymous

A new match between payroll and Companies House data helped one council to review and introduce new measures for staff to declare any interests. This was after the NFI match revealed that one member of staff had had sight of tenders for services, which allowed her to give information to her husband, who was then able to undercut those prices. This was dealt with as a disciplinary matter and the individual left the authority.

# Key messages for 2016 – 2018

## Council Tax Reduction Scheme: £2.8 million

Individuals claiming Council Tax reduction who failed to declare an income or change of circumstances



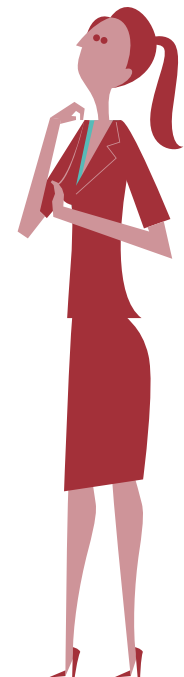
- Council Tax reduction is the discount given by local councils to those eligible for help with council tax bills.
- This was a new dataset for 2016/17 and we will continue to include this in future NFI exercises.
- An estimate of 21 weeks is applied to the weekly reduction in benefit recorded by participants for future losses prevented.
- 326 bodies received matches related to Council Tax reduction. Of these councils, just under half (48%) identified cases where individuals were incorrectly receiving a Council Tax reduction. In total, 1,613 cases where Council Tax reduction was in payment were identified as being incorrect.
- Overpayments identified from this data area were spread fairly evenly across councils that identified incorrect cases of Council Tax reduction. The average reported saving per case was £1,130 (excluding estimated forward savings).

### Case study



#### Durham County Council

A Council Tax reduction scheme (CTRS) to Pensions NFI match identified a recipient whose local authority pension had not been fully taken into account in their CTRS claim. As a result of the investigation, Durham County Council claimed back over £10,000.



# Further case studies

## Personal budgets

Individuals claiming a personal budget who failed to declare an income or change of circumstances or were deceased

### Case study



#### **Durham County Council**

Durham County Council identified a case from an NFI match where a recipient had failed to declare their NHS lump sum payment. An investigation was carried out and the authority put in place measures to recover over £5,000. People in receipt of personal budgets may be suffering from ill health and we recommend these matches are investigated with this in mind.



# Further case studies

## AppCheck

### Case study



#### City of London

The City Corporation Anti-Fraud Investigation Team, along with the Housing Allocations Team, are tasked with working across London to detect, prevent, and deter people from attempting to obtain social housing under false pretences.

As part of its commitment to supporting the NFI, and to help evolve its approach to fraud prevention, the City Corporation decided to deploy AppCheck on a trial basis to see if it could help to improve its ability to identify those applying, or who have obtained, social housing under false pretences.

The AppCheck system was easily assimilated into the teams' existing procedures and was able to provide an additional layer of intelligence to the verification process.

Following its successful trial in combating social housing tenancy application fraud, AppCheck has been rolled out across the City Corporation in areas such as HR, housing benefits and blue badge applications.

Chris Keesing, Anti-Fraud Manager within the City of London Corporation commented on the AppCheck trial:

*"The AppCheck solution was a great success and proved itself early on by allowing us to identify social housing application fraud that would have otherwise potentially not been detected. We are pleased that, owing to the success in this area, we have now been able to roll out AppCheck to other departments across the City Corporation to help us identify fraud in more front-line service areas."*

### Case study



#### St Ledger Homes

St Leger Homes is an award-winning company which provides housing services across Doncaster in the social and private sectors. Created in 2005 by Doncaster Council and with government support, St Leger Homes is an Arm's-Length Management Organisation (ALMO) that provides quality council homes for local residents.

By using AppCheck, staff at St Leger Homes have a greater ability to prevent fraudulent or mistaken applicants from obtaining a tenancy and reduce the volume of referrals that are generated from historical claims or payments. Over 700 searches have been completed. Their move from a fraud detection to a fraud prevention investigations model has reduced their caseload, allowing the team's investigation capacity to be managed

much more effectively. This has also allowed a focus on areas that yield bigger benefits or cost savings. AppCheck is continually used by St Leger Homes to screen housing tenancy and Right to Buy applications.

Nicola Bouse, Customer Service Advisor for Central and Tenancy Fraud said: *"This is a valuable tool in the prevention of fraud and I would recommend it to anyone looking at potentially using it. It has helped clarify some situations that did on face value look suspicious. The information provided is clear and easy to understand and can point us in a direction we need to go if issues arise. AppCheck fits well with our existing checks and enhances the process."*

# Further case studies

## AppCheck

### Case study



#### London Borough of Hammersmith and Fulham

AppCheck allows frontline staff working in public sector organisations to check and verify the details of all new housing and benefit applications more effectively in real-time and reduces the risk of fraudulent applications.

As part of their anti-fraud strategy, the London Borough of Hammersmith and Fulham now use AppCheck to prevent fraud, or mistaken payments, from having an impact.

For example, AppCheck identified that a housing application they had received held conflicting information to that held within the NFI database. The applicant was clearly linked to an address in the neighboring borough of Ealing. After further investigation, involving tracking benefits paid over a 16-month period to the address in Ealing, the London Borough of Hammersmith and Fulham housing application was declined, saving £18,000.

Andrew Hyatt, Head of Fraud at the London Borough of Hammersmith and Fulham said:

*"AppCheck is an extremely good and affordable anti-fraud tool. The configuration allows investigators to verify applications against a number of datasets, from different organisations, that are held within the system. Since using [AppCheck] we've seen great savings and a reduction in the number of fraudulent applications entering our system."*

# NFI outcomes in England by risk area

Dataset	Example activity area	2018 £m (1 April 2016 – 31 March 2018)	2016 £m (1 April 2014 – 31 March 2016)
Housing benefits	Individuals claiming housing benefit who failed to declare an income or change of circumstances	24.9	39.2
Pensions	Individuals obtaining the pension payments of a dead person	144.8	85.1
Council Tax	Individuals who did not qualify for the council tax single person discount because they were living with other countable adults	32.6	37.4
Payroll	Employees working for one organisation while being on long-term sick leave at another or obtaining employment while not entitled to work in the UK	4.0	5.0
Trade creditors	Traders who intentionally or unintentionally submitted duplicate invoices for payment	4.3	4.5
Blue badges	Potential misuse of blue badge parking passes belonging to someone who has died	18.0	13.2
Concessionary travel	Potential misuse of concessionary travel passes belonging to someone who has died	5.6	2.2
Tenancy fraud	Social housing tenants who were subletting, were not entitled to social housing because of their status in the UK, or had multiple tenancies unlawfully	5.5	5.0
Right to Buy	Social housing tenants who were not entitled to right to buy because of their status in the UK, or had multiple tenancies unlawfully	1.0	0.3
Residential care homes	Payments to private care homes by a council for the care of a resident where the resident had died	4.4	3.5
Personal budgets	Individuals claiming a personal budget who failed to declare an income or change of circumstances or were deceased	0.5	0.5



# NFI outcomes in England by risk area

Dataset	Example activity area	2018 £m (1 April 2016 – 31 March 2018)	2016 £m (1 April 2014 – 31 March 2016)
Other	Other immigration outcomes linked to student loans and licences	0.3	1.3
Council Tax Reduction Scheme	Individuals claiming Council Tax reduction who failed to declare an income or change of circumstances	2.8	-
State benefit	Individuals claiming state benefits who failed to declare an income or change of circumstances	0.9	-
Waiting lists	Social housing waiting list applicants who were not entitled to social housing because of their status in the UK	25.5	1.0
<b>Total</b>		<b>275.3</b>	<b>198.2</b>

# Key results in England

	Number of cases 2018	Number of cases 2016
<b>Pensions</b>		
Pension payments stopped	3,763	3,592
<b>Council Tax single person discount</b>		
Council Tax single person discount claims stopped	30,343	37,825
<b>Social housing/Right to Buy</b>		
Properties recovered	58	54
Right to Buy wrongly awarded	4	4
Applicants removed from a housing waiting list	7,601	726
<b>Housing benefit fraud, error and overpayments relating to:</b>		
Local government employees	798	1,417
Central government pensioners	353	922
Individuals receiving a local government pension	298	876
Students	1,361	1,944
NHS employees	313	516

# Key results in England

	Number of cases 2018	Number of cases 2016
Other	743	864
Immigration	61	67
Blue badges cancelled	31,223	23,063
Concessionary travel passes cancelled	234,154	97,064
<b>Social care</b>		
Residents in private care homes	275	263
Personal budgets	163	113
<b>Payroll</b>		
Total employees dismissed or resigned	53	109
<b>Creditor payments</b>		
Duplicate creditor payments	884	3,488
Council Tax Reduction Scheme	1,613	0
<b>Total</b>	<b>314,061</b>	<b>172,907</b>

# Report calculations – England only

Data match	Fraud detected (£ million)	Estimated (£ million)	Total (£ million)	Basis of calculation of estimated outcomes
Pensions	7.4	137.4	144.8	Annual pension multiplied by the number of years until the pensioner would have reached the age of 85
Council Tax SPD	11.7	20.8	32.6	Annual value of council tax single person discount multiplied by two years
Housing benefits	18.2	6.7	24.9	Weekly benefit reduction multiplied by 21 weeks
Housing waiting list	0.0	25.5	25.5	£3,240 per applicant removed from the waiting list, based on annual estimated cost of temporary accommodation and the likelihood that future losses would occur due to waiting list fraud
Blue badges	0.0	18.0	18.0	£575 per blue badge cancelled to reflect lost parking and congestion charge revenue
Payroll	3.1	0.9	4.0	£5,000 per case (£12,000 for immigration cases) and £50,000 for a removal from the UK)
Tenancy fraud	0.0	5.5	5.5	£93,000 per property recovered based on average four year fraudulent tenancy - this includes temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies. £53,000 per property recovered in Northern Ireland
Trade creditors	4.3	0.0	4.3	Not applicable
Private residential care homes	2.5	1.9	4.4	£7,000 per case based on average weekly cost of residential care multiplied by 13 weeks

# Report calculations – England only

Data match	Fraud detected (£ million)	Estimated (£ million)	Total (£ million)	Basis of calculation of estimated outcomes
Right to Buy	0.1	0.9	1.0	<p>£65,000 per application withdrawn based on average house prices and the minimum right to buy discount available</p> <p>This estimate has the following regional variations:</p> <p>London: £104,000 per application withdrawn to reflect the maximum value of Right to Buy discount available for London properties</p> <p>Northern Ireland: £31,000 per application withdrawn based on average house prices and minimum right to buy discounts in Northern Ireland</p>
Concessionary travel	0.0	5.6	5.6	Number of passes cancelled multiplied by £24, based on the cost of reimbursement to bus operators for journeys made under the concessionary pass scheme
Personal budgets	0.4	0.1	0.5	Monthly reduction in personal budget payment multiplied by 3 months
Other immigration	0.2	0.1	0.3	£50,000 for a removal from the UK
Council Tax reduction	1.8	0.9	2.8	Weekly change in council tax discount multiplied by 21 weeks
State benefits	0.9	0.0	0.9	Weekly benefit reduction multiplied by 21 weeks
<b>Total</b>	<b>50.8</b>	<b>224.5</b>	<b>275.3</b>	

# NFI survey 2017

We conducted a survey in July 2017 that focused on: customer satisfaction; the NFI products; web application functionality; and the future strategy and direction of the NFI. We received over 580 responses and this feedback has helped us to shape our vision and objectives for 2018 to 2022.

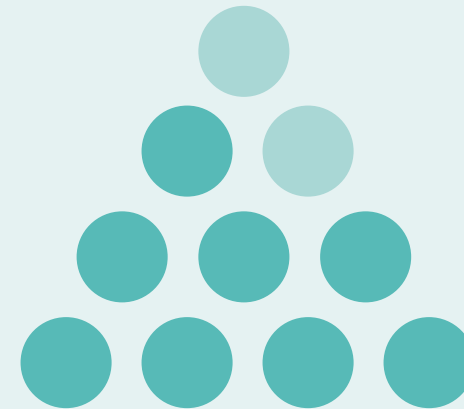
**The NFI helps participants to prevent and detect fraud:**



**71%**

somewhat agree, agree, or strongly agree that NFI helps business

**The NFI should be mandatory so it is as effective as possible:**

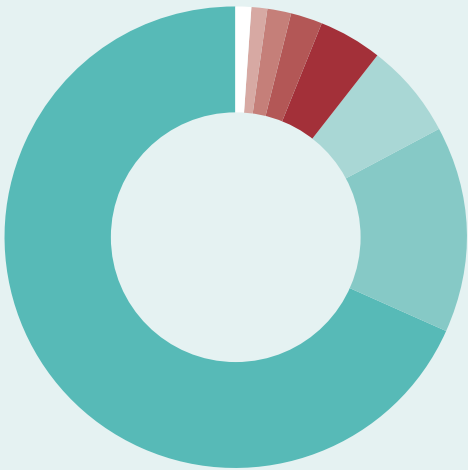


**80%**

agree with mandation (65% agree or strongly agree, 15% somewhat agree)

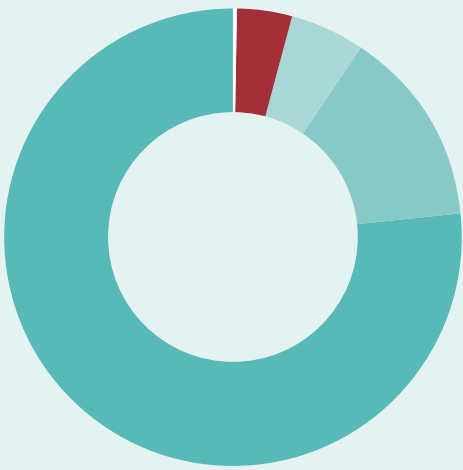
# Participant profile

Your organisation is in which of the following sectors?



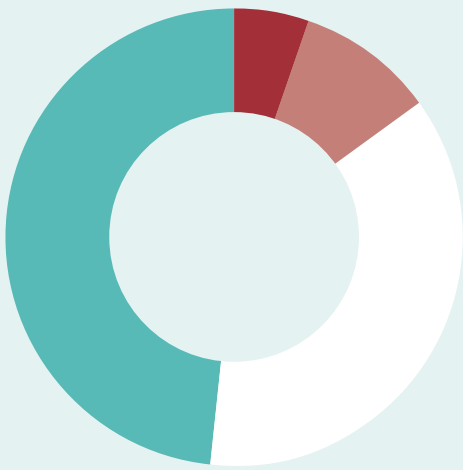
<div></div>	Local government	68.14%	400
<div></div>	NHS	14.48%	85
<div></div>	Central government	6.64%	39
<div></div>	Other	4.43%	26
<div></div>	Police	2.21%	13
<div></div>	Fire and Rescue Authority	1.70%	10
<div></div>	Housing Association	1.19%	7
<div></div>	Private sector	1.19%	7

Where is your organisation based?



<div></div>	England	76.79%	450
<div></div>	Scotland	14.16%	83
<div></div>	Northern Ireland	4.10%	24
<div></div>	Wales	5.12%	30
<div></div>	Other	0.34%	2

What level of user are you?



<div></div>	User	48.08%	275
<div></div>	Key contact	36.89%	211
<div></div>	Senior responsible officer	9.62%	55
<div></div>	Don't know	5.42%	31

# Strengths



The website is easy to use and data is easy to retrieve and review.



The NFI technology allows you to detect matches that may not otherwise have been highlighted.



There is a wide variety of informative guidance available, alongside helpful and knowledgeable staff.



The NFI tool allows you to identify and correct errors and mismatched information.

## You told us:

“AppCheck has been very useful when used in conjunction with other searches. It has highlighted repeated clerical errors and helped improve processes and procedures.”

“The matches raise the possibility for fraud and error, of which we might not otherwise be aware.”

“The fact that it is mandatory [for local authorities] to take part ensures good participation and access to national datasets that are unavailable at a local level.”



# Strengths



"We operate a shared counter-fraud service covering three local authorities. The NFI web app provides accurate, clear and concise data that can be manipulated easily to target our investigative resources in a risk-based and cost effective manner. Some matches have identified issues with internal procedures and have led to improvements being implemented. The exercise regularly provides a starting point for criminal investigations and realises significant savings to the public purse."

Preston City Council, Lancaster City Council and Fylde Borough Council

"The 2016/17 NFI exercise has supplemented the routine data matching that we undertake. The matches undertaken by NFI to external data sources has helped in the identification of fraud and error which would otherwise be difficult to detect. The Housing Benefit to Student Loans report has been one of the most lucrative matches, helping us to identify in excess of £117k of overpayments. The results has also been helpful in identifying and correcting discrepancies."

Birmingham City Council



"The Companies House NFI reports were very useful to us. They prompted us to carry out checks to make sure there were no conflicts of interest and helped us cross check against our own annual declarations. We were also able to make sure the staff who now work for us, but have been suppliers in the past, had correctly completed their annual declaration of interests."

House of Commons

# How can we improve?

We want to ensure that you receive the highest quality matches, as well as the best possible user experience from the NFI suite. Your responses to this survey have helped us shape our 2018 to 2022 strategy. We want to ensure that you receive the highest quality matches, as well as the best possible user experience from the NFI. Below are some examples of your feedback and how we will seek to address them.

## You said

## Our response

“Management Information reports are not intuitive or easy to use.”

“As part of our continuous improvement strategy, we will develop management information tools, upgrade navigation options and improve web app functionality to better suit the user.”

“Currently the matches provided contain many false positives and only about 10% are worth investigating.”

“We will tighten matching rules, and risk scoring, improving the accuracy and quality of existing NFI data matching techniques. We will also look to add additional data sources from both the public and private sector.”

“There is a lack of engagement with users.”

“We recognise the challenges around successful user engagement. As part of our strategy, we will identify the right people to ensure NFI becomes a fundamental aspect of every organisation’s counter-fraud work.”



## Contact us

We are always on the lookout for participants to help with ongoing improvements to the NFI. If you would like to get involved, [please contact us](#).

For more information about the NFI please visit our [website](#).

Follow the Cabinet Office on:



# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 NOVEMBER 2018	10
<b>REGULATION OF INVESTIGATORY POWERS ACT 2000: AUTHORISATIONS</b>			

## PUBLIC ITEM

This item is for consideration in the public part of the meeting.

## SUMMARY OF INFORMATION

Councillors are obliged to review the use of covert surveillance and covert human intelligence sources by the council at least quarterly. In the quarter to October 2018, there were no authorised operations.

## SOURCE OF INFORMATION

Director of Resources

## INFORMATION

1. The Regulation of Investigatory Powers Act 2000 ("RIPA") regulates covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.
2. Fylde Council is therefore included within RIPA framework with regard to the authorisation of both directed surveillance and of the use of covert human intelligence sources.
3. Directed surveillance includes the covert surveillance of an individual in circumstances where private information about that individual may be obtained. A covert human intelligence source ("CHIS") is a person who, pretending to be someone that they are not, builds up a relationship of trust with another person for the purpose of obtaining information as part of an investigation.
4. Directed surveillance or use of a CHIS must be authorised by the chief executive or a director and confirmed by a Justice of the Peace. All authorisations are recorded centrally by the Head of Governance.
5. This is the required quarterly report on the use of RIPA. The information in the table below is about authorisations granted by the council during the quarter concerned.

Quarter	Directed surveillance	CHIS	Total	Purpose
26 July 2018 – November 2018	0	0	0	

Figures correct when report published. Officers will verbally update members if the figures have changed by the date of the meeting.

## WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

Regulations under the Regulation of Investigatory Powers Act 2000 ("RIPA") require councillors to consider a report on the use of RIPA at least quarterly.

## FURTHER INFORMATION

Contact Ian Curtis on 01253 658506 or at [ianc@fylde.gov.uk](mailto:ianc@fylde.gov.uk).