

<b>Subject:</b>	Counter Fraud Update	<b>Status:</b>	For Publication
<b>Report to:</b>	Overview and Scrutiny Committee	<b>Date:</b>	7 <sup>th</sup> November 2016
<b>Report of:</b>	Fraud and Compliance Officer	<b>Portfolio Holder:</b>	Portfolio Holder for customer Services and Health
<b>Key Decision:</b>	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: N/A
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: N/A
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1.	<b>RECOMMENDATION(S)</b>
1.1	The Overview and Scrutiny Committee is asked to note the report

**2. PURPOSE OF REPORT**

2.1 To confirm whether the Cabinet's recommendations to the Counter Fraud Task and Finish Group Report have been met and provide an overall update.

**3. CORPORATE PRIORITIES**

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
  - **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
  - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

**4. RISK ASSESSMENT IMPLICATIONS**

- 4.1 If recommendation one isn't met (Para 5.2), the Council would be at risk to potential fraud and/or corruption. The Council should ensure that it has adequate resources to effectively maintain its statutory obligations.
- 4.2 In relation to recommendation three (Para 5.4), there is a potential risk that should we decide to end relations with Analyse Local and continue on our own, that in 12 months, two years' time we could be back in the same position, whereby our business rates base isn't up to date with any new developments and/or alternations to existing hereditaments.

**5. BACKGROUND AND OPTIONS**

5.1 Following the Counter Fraud Task and Finish Group, Cabinet made the following recommendations. This outlines the progress of each of them.

5.2 **Recommendation 1:**  
**That consideration be given by the Council's Management Team, subject to the details business plan, that the post dedicated to the Counter Fraud Project activity continues**

**at the end of the fixed term, so long as the finances coming in continue to be more than the costs of the post and any associated expenses**

5.2.1 Following the resignation of the Service Assurance Team Manager, the team is currently undergoing a restructure. Alongside this the post of Fraud and Compliance Officer is under review, a draft Scheme of Delegation has been prepared with a view to being made permanent.

5.3 **Recommendation 2:  
That officers investigate whether there would be capacity to undertake Land Registry checks in-house, rather than continuing to use Rochdale's Land Registry**

5.3.1 Since the Cabinet meeting in March of this year, we have ceased using Rochdale for our Land Registry checks, and have now started using our Corporate Support team instead.

5.3.2 This has increased productivity as there is now a shorter period to wait for the checks to be carried out and given back to the requesting officer.

5.4 **Recommendation 3:  
That an update on the use of Analyse Local is provided at the end of the project to the task and finish group members**

5.4.1 The Analyse Local package was purchased initially on a one year basis, with a commencement date of 18<sup>th</sup> November 2015.

5.4.2 In terms of financial gain, it is clear to see that we have benefited more from the RV Finder than from the Forecasting and Appeals tools they offer. Over the last ten months we have seen 53 cases referred to us from the Analyse Local team varying from, but not exclusively, missed air conditioning units to new extensions.

5.4.3 As of the 20<sup>th</sup> September 2016, 33 of the 53 cases we have received, have been referred to the Valuation Office and have come back to us with revised rateable values, meaning increased bills being issued to them.

5.4.4 The collective increased rateable value over the 33 cases was 316,815, once billed and collected this will see Rossendale Borough Council receive approx. £62,600.00 per annum.

5.4.5 We are still waiting on 20 cases to come back from the Valuation Office with their new rateable values, and it is estimated that these 20 cases will have a potential additional rateable value of around 63,000, again, once billed and collected this will see Rossendale Borough Council receive approx. £12,400.00 per annum.

5.4.6 With a cost of £5000.00 for the forecasting and appeals part of the package, and 10% of one year's rateable value increase on each account, it is felt that Analyse Local has been a successful resource.

5.4.7 Talks have started over the renewal of the Analyse Local package, and are currently at a preliminary stage. However, a business case and Scheme of Delegation are being prepared to extend Analyse Local for a further three years.

5.5 **Recommendation 4:**  
**That Cabinet adopt the Council Tax and Council Tax Support Penalty and Prosecution Policy to support the Counter Fraud Project work and to enable officers to use the policy to act as a deterrent against fraudulent activity.**

- 5.5.1 On 9th March 2016 at Cabinet, The Council Tax and Council Tax Support Penalty and Prosecution Policy was approved. It was decided that the start of the new financial year was the best time to introduce the newly passed policy.
- 5.5.2 As of 21<sup>st</sup> October 2016, 22 civil penalties and one administrative penalty have been issued.
- 5.5.3 The civil penalties equate to £1,650.00 of which £520.00 has been paid back. There are two civil penalties which are issued, £50.00 for Housing Benefit and £70.00 for Council Tax Support. Each can be issued separately or together. The £1,650.00 mentioned above is a mix of singular and combined penalties.
- 5.5.4 The administrative penalty was £1,000.00 all of which has been paid back.
- 5.5.5 It is felt that this policy is helping our battle against would be fraudsters, with some of the claimants who have received civil penalties confirming verbally during passing conversation that they know for future reference what to declare, and that the penalty received encourages them to stick to their duty of informing the Council of changes, to avoid receiving further penalties.

**COMMENTS FROM STATUTORY OFFICERS:**

**6. SECTION 151 OFFICER**

- 6.1 Financial implications are noted in the report
- 6.2 The additional resource costs will be funded from increased income received and reduction in the cost of fraud.

**7. MONITORING OFFICER**

- 7.1 No additional comments.

**8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT**

- 8.1 No HR implications.

Consultation has been carried out by Members of the Task and Finish Group, Members of the Public, other organisations and various Officers from Rossendale Borough Council.

**9. CONCLUSION**

- 9.1 The Council is taking positive steps to safeguard itself against fraud, error and corruption by reviewing the Fraud and Compliance role within the organisation. The Council takes Fraud seriously and supports the work that this role represents.
- 9.2 Productivity in relation to work involving land registry checks has increased as a direct result of the feedback, comments and recommendation from Cabinet. We will continue to use our Corporate Support team for these checks.
- 9.3 The use of Analyse Local has helped increase our Business Rates base and therefore we have entered into the early stages of negotiating with them over an extension of our contract. It is hoped that we will continue our work with Analyse Local.

9.4 It is anticipated that the Council Tax and Council Tax Support Penalty and Prosecution Policy will continue to be supported by Members and will therefore remain an important tool for the Council in fighting fraud.

Background Papers	
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Document	Place of Inspection
Cabinet Response to the Findings of the Counter Fraud Task and Finish Group	Democratic Services Room 213, Futures Park