

Counter Fraud & Investigation



See it. Report it. Stop it.

Counter Fraud & Investigation Annual Report 2023/24 & Completed Proactive Work Plan 2023/24

Foreword

Thurrock Council has been going through financial restrictions through the intervention that took place in 2022, with this year seeing vast amounts of savings having to be made. I have been proud of the work that the Counter Fraud & Investigation team have completed over this time. The team have trained several areas of the Council in Fraud awareness, which has increased the level of communication between those teams and the fraud officers.

The team have also seen great recovery figures, with 14 properties being recovered through the investigative work carried out by the CFI. This allows vulnerable families, that are currently in temporary/emergency housing, to move away from that uncertainty and move into a place that they can call home. This type of work saves the Council's hundreds of thousands of pounds a year, which at this moment in time, is exactly what is needed. The team, although small, with only 2 investigators and 1 manager, enabled nearly £2m in cost avoidance.

As we move forward, the team will have an extra investigator within the team and the use of other service areas within the Council to assist in the fight against those that wish to target the Council through criminal enterprise. A new Fraud Strategy will help guide us through this, as well as a number of renewed policies, all aligning to the overall strategy.

The team continue to receive referrals from across the Council and will continue to work hard with all departments and service areas, developing relationships and delivering awareness to staff and Members. The team will continue their hard work and I look forward to what can be delivered by this small but dedicated team.

Governance & Accountability

The team's work is subject to the following oversight, which includes internal and external governance

Local – Audit Committee

- Monitoring of Performance against each annual strategy for the bodies to provide assurance of crime risk and organisational governance.

Investigatory Powers Commissioner's Office

- Inspections to monitor the use of investigative tactics regulated by the Regulation of Investigatory Powers Act 2000, Investigatory Powers Act 2016 and Human Rights Act 1998.

Home Office - National Police Information Risk Management Team

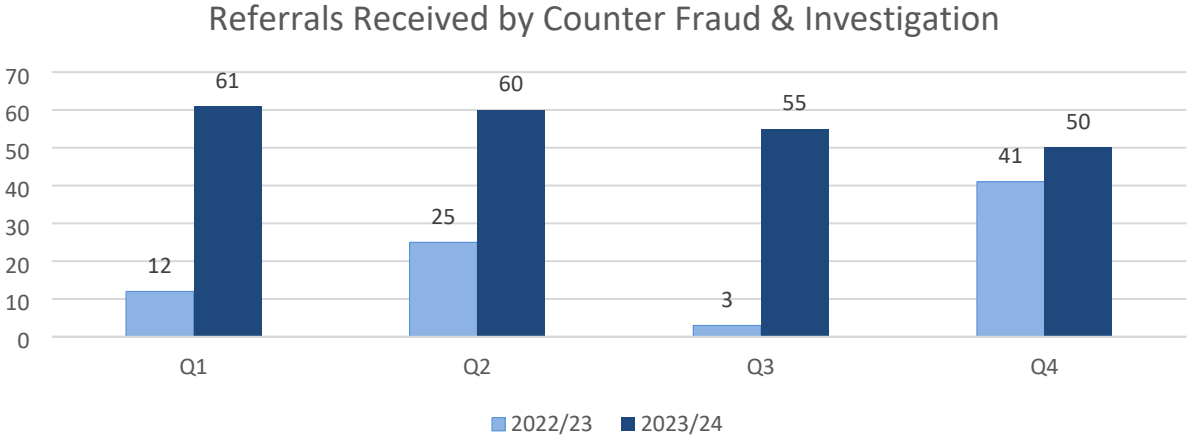
- Inspections to monitor the security of data used within the department.

National Crime Agency – Proceeds of Crime Regulator

- CFI can utilise several powers afforded to it by Parts 2, 5 and 8 of the Proceeds of Crime Act 2002. The National Crime Agency is the regulator of these powers.

Performance & Finances

The CFI has seen an increase in the number of referrals it has received over the last quarter of the year 22/23 with referral rates rising significantly after the separation of remits from the national function, with the CFI team receiving over half of the entire referrals made to CFI in 2022/23 in Q4. This has evidenced that the smaller focused team has the ability to engage and deliver to a wider audience and generate a greater workflow.



226 reports of suspected fraud were received and became criminal investigations, with Housing being the prominent referral as can be seen from the breakdown below.

Year	Housing	Transport	Revenues	RTB	Theft	Payroll	Social Care	Worker (Insider Threat)	DWP Referral	Procurement	Cyber	Other
2022/23	52	1	3	7	1	1	1	6	1	1	1	6
2023/24	115	10	43	33	4	0	3	4	5	1	2	6
2022/23	£1,359,800	£1,500	£12,000	£678,600	£100	£100,000	£1,250	£45,600	£0	£23,500	£1,050	£24,500
2023/24	£5,060,000	£15,000	£97,000	£4,191,000	£15,833	-	£60,000	£84,500	£0	£100,000	£0	£14,000

The total value of the referrals received in 2023/24 was **£9,411,000¹**

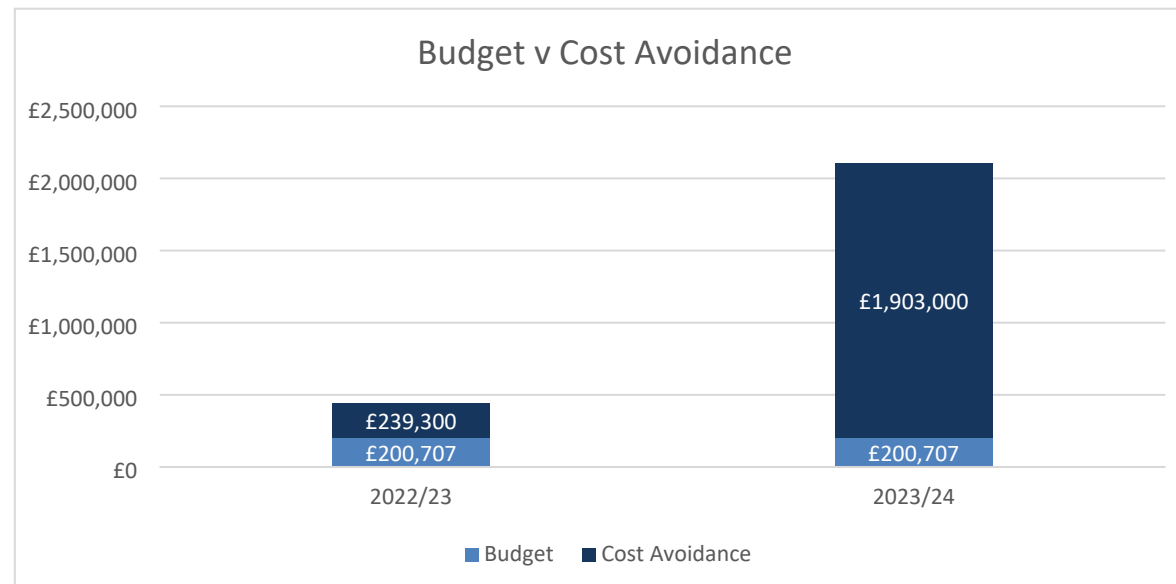
¹The value of a referral is determined by the facts known at the time. This figure can therefore fluctuate dependant on the evidence available within an investigation at a single point in time and will be reported with the current value set.

Finances

The 2023/24 CFI budget was £200,707, with an extra £68,000 being generated through a traded service with Castle Point Borough Council. The CFI team had a balanced budget at the end of 2023/24.

The CFI allowed for the Council to avoid costs of £616,000 relating to temporary accommodation and other expensive alternatives by recovering 14 social housing properties through the investigative work conducted by the CFI team. As well as this, the team also stopped 11 Right to Buy applications due to non-eligibility or fraud, valued at £1,287,000, ensuring stock that is currently held by the Council is not released inappropriately with the £1.2m in discounts being given to those that were not eligible or who dishonestly tried to gain the 'discount'.

The cost avoidance² ratio for 2023/24 was excellent with the CFI enabling the Authority to avoid costs of £9.48 for every £1 that was spent on the team's existence. This is significantly higher than the target of a £3:£1.



2. A cost avoidance is generated by the intervention of the Counter Fraud & Investigation team against expected expenditure by various departments within the Council, had that intervention not taken place.

Operational Activity

Social Housing Fraud

Last year 14 social housing properties were recovered by the team, which is a significant increase from 2022/23 where only 4 were recovered.



14
Social Housing
Properties
Recovered

Case Example

Information was received in May 2023, which involved a 'Council tenant' who had abandoned their council property and was subsequently living with his partner in Hungary. The team was able to corroborate that the legal tenant had left the UK and taken up residence in Hungary. The property was visited multiple times and confirmed vacant by the team. However it was later established that the tenant then let the property out to a friend who was staying at the address in the tenant's absence. Evidence was also found on Youtube, where the tenant was recording a Vlog which showed him renovated his property in Hungary and from the commentary it was clear that it was his intention to reside there on a long term basis. The housing team were regularly consulted, who started repossession proceedings via the 'abandonment' legal pathway. The tenant returned to the UK for a pre-arranged appointment and denied the allegation of abandonment, however when faced with the overwhelming evidence, admitted what had occurred and signed a voluntary Notice to Quit. As a result, the house was returned to the Council, allowing another family to be rehoused. A plethora of evidence was obtained by the CFI team from a variety of sources, providing irrefutable evidence that the premises had been abandoned, proving a very cost effective way of restoring a social housing premises back to those who need it. and effective intelligence resulting in no formal court action being required.

Social Housing Fraud

Case Example

Information was received in February 2024, which stated that a 'Council tenant' had abandoned their council property for at least 6 months and was living elsewhere. Financial enquiries suggested she resided at another address in Essex. The property was visited multiple times and confirmed vacant by the team and Tenancy Management Officer. Enquiries showed that the tenant had a young child. The SAST department within Thurrock Council were contacted and were able to make enquiries which deduced that the child no longer went to school in Thurrock but in Halstead, which corroborated the financial information. The CFI team attended the address in Halstead and spoke to the tenant's partner. It became clear that she was retaining the address in Thurrock on a 'Just in Case' basis. It was explained that this was not appropriate and legal options and ramifications were explained. The tenant subsequently decided to voluntarily sign a Notice To Quit, restoring the property to the council saving a lengthy and expensive legal process. The Thurrock Rents collection team were also kept informed as the tenant owed thousands of pounds in unpaid rent. Evidence was obtained by the CFI team from a variety of methods, proving that the tenant had abandoned the property and moved many miles away. This case was dealt with extremely quickly, returning a council premises back to the council in a very cost-effective way in order that the premises could be provided to a family who desperately required it.

Collaborative Activity

Case Example

The CFI team worked on a referral from the SEND Tribunals Officer in relation to the fraudulent request for a place in a Special Needs School when the family resided outside of the catchment area. The family of the child involved, claimed that the parents had separated and that the mother resided in the Thurrock area. The CFI team worked closely with the SEND Tribunal team and requested a detailed precis of the tribunal hearing and by carrying out financial enquiries, vehicle enquiries, land registry enquiries and unannounced visits to the family address in Rainham, Essex and the premises where the mother allegedly resided in Thurrock, were able to prove beyond any doubt that the tribunal had been misled and it was clear that the mother lived with the family unit in Essex. This case was dealt with extremely quickly, ensuring that a suitable child in Thurrock was not deprived of the opportunity to attend this Special Needs provision and that Thurrock Council would not subsequently have to pay for one of their children who required this assistance, to attend a similar school elsewhere.

Completed Proactive Work Plan 2023/24

The CFI completed some tasks on the proactive work plan for 23/24, however due to resourcing levels within the team the team concentrated on the resources to ensure maximum benefit to the Authority.

Risk Area	Activity	Current Status	Responsible Officer
Council-wide	<p>Training of Staff and Elected Members</p> <p>Ensure understanding of the threats posed to the Authority in modern times by Fraud, including cyber enabled fraud.</p>	This was completed in high risk areas such as social care & housing management, however due to resourcing an online training package has been designed to be undertaken by every staff member at the council.	Counter Fraud Manager
Council-wide	<p>Review all relevant policies concerning Fraud including the Fraud Strategy</p> <p>Ensuring that all hold the most up to date legislative information as well as ensuring best practice is always adhered to.</p>	This was completed and is being presented to the Committee in September 2024	AD for Counter Fraud, Enforcement and Community Protection
Council-wide	<p>Targeting POCA and Civil Legislation to maximise effect on criminal behaviour</p> <p>Ensure that CFI utilise the appropriate legislation to maximise the effects on criminals and ensure that our vision of protecting the public purse is adhered to by promoting this work.</p>	This is a continuing activity and has been part of the Fraud Investigation Model that we utilise throughout our investigations.	Counter Fraud Manager
Housing	<p>Proactive High Risk Housing Project</p> <p>To work with the Housing department and local police hubs to complete at least 4 proactive operations in areas of high-risk housing. This should be taking place once a quarter.</p>	We were unable to provide this level of resourcing due to the team having 2 investigators. However, the team have been liaising with the Housing teams monthly and have recovered 14 properties this year, which is a vast improvement on last year.	Counter Fraud Manager
Council-wide	<p>Develop NFI systems and upload process</p> <p>To establish a process and work-flow for all NFI updates with leads from all areas involved. Develop relevant responses and</p>	This is being completed by a dedicated NFI officer who will report back on the completion of cases.	Counter Fraud Manager

Risk Area	Activity	Current Status	Responsible Officer
	establish flow of cases to the Counter Fraud & Investigation Team.		
Social Care	<p>Undertake a review of Social Care (Direct Payments)</p> <p>The Counter Fraud & Investigation team will work with the Social Care teams and review those applicants for 'direct payments'.</p>	This took place and a working relationship is now in place between the teams. There has already been cases raised with the CFI concerning this crime type. This will continue into 2024/25.	Counter Fraud Manager