

Watford Borough Council  
Corporate Anti-Fraud Team

Business Plan  
2008-2009

## **Overview**

It is estimated that in 2007/2008 Watford Borough Council will have administered some £25 million in Housing and Council Tax Benefits. According to statistical research undertaken by the Department of Work and Pensions almost £1.3 million of this could be lost due to Fraud and Error.

Watford, as with all other Local Authorities, has a responsibility and statutory duty under Section 151 of the Local Government Act 1972 to implement effective measures to 'protect the public purse'.

It is the Council's responsibility to introduce effective and wide ranging financial controls to both prevent and detect fraud and error in the Housing and Council Tax Benefit system administered by the authority on behalf of central government.

## **Purpose**

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The purpose of this document is to set out the goals and objectives for Watford Borough Councils Fraud Investigation Team. It details the way in which the team intends to grow and develop and provides a bench mark against which both team and individual progress can be measured.

Changes have occurred during the past year for a variety of reasons not least being the inspection by the Benefit Fraud Inspectorate (BFI) and the team has now become a dedicated investigation function under the management of the Audit Manager. It is beginning to adopt a more corporate role in terms of fraud investigation.

For further information in relation to this Business Plan then please contact either:

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## **Core Objectives – The Vision for Watford**

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The coming year sees Watford Borough Council entering into a programme of Shared Services with its neighbouring authority, Three Rivers District Council. It is important that during this time of change that the Watford fraud team continues to build on the excellent performance improvements that it has already achieved over the last two years culminating in a doubling on last year (2006/7) in terms of sanctions applied and trebling that of the previous year (2005/6).

The overall object for the coming year is to build on the improvements that were introduced following the change of management and working practices after the Benefit Fraud Inspection in 2006. These have already seen the team's performance in terms of sanctions to almost double from year to year. In addition to this, 2008 sees the changes introduced by the Welfare Reform Act 2007 that will now allow Local Authorities to investigate and prosecute a number of Social Security benefits offences on behalf of the DWP. This may see an improvement in the time taken in cases being brought before the court that involve state benefits that previously have been exclusively prosecuted by the DWP.

The performance of all members of the investigation team will be enhanced through individual and team development so that they are better equipped to manage the investigative function on behalf of the authority. This will also be combined with the new working arrangements that will evolve when the two fraud investigation departments of Watford and Three Rivers join under the shared services programme.

The achievement of these objectives will indirectly contribute to the achievement of the Council's objectives.

## **Overall Strategy**

### **Sanctions Policy**

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It is essential that a strong and fair policy exists to ensure that any persons subject to investigation for defrauding the authority are treated equally and that all the necessary

factors are taken into account so that an unbiased and objective conclusion can be reached in all cases. This policy will be included in the Anti Fraud and Corruption Strategy.

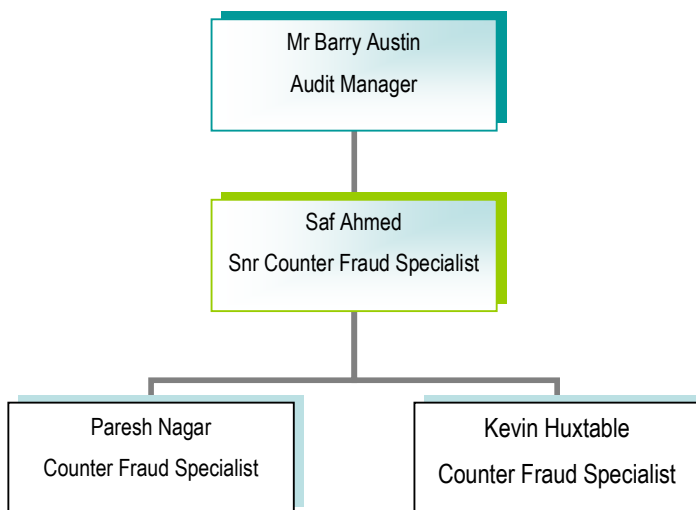
Whilst there is national guidance from the Department for Work and Pensions (DWP), which provides specific guidance in monetary terms about when a particular type of sanction may be applied, it is essential that a more localised policy exists and reflects the local issues and frauds that occur in this area. To that end rather than take a clear financial factor as the sole bench mark for the appropriate sanction, each case will be treated on its own merits using the DWP principals as a guide. Therefore if the fraud is greater than the £2,000 DWP bench mark but there are apparent overriding social and welfare factors that need to be considered, Watford Borough Council will have the scope to offer and administer other sanctions as an alternative to prosecution as appropriate.

There may also be cases where the imposition of any possible sentence administered by the court may not have the same deterrent factor as that of an Administrative Penalty (a financial penalty).

## Organisation

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The Fraud Investigation Team will consist of a two Investigators who report directly to the Senior Investigator. The team is currently overseen by the Audit Manager. Following a review of staffing levels a proposal to delete the position of clerical support was made and will be actioned early in the year. In addition, the position of full time manager is to be removed with the intention that this role will be undertaken by the current manager of the Three Rivers District Council fraud team.



Additional duties will be required of the remaining staff but is not anticipated that these will have an impact upon the performance of the team.

Budgets 2008 - 2009

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	<b>Value</b>
Salaries	£163,440
Transport	£10,260
Supplies and Services	£4,350
Legal Fees	£15,000
<b>Total</b>	<b>£193,050</b>

## **Plans to Achieve the Strategy**

### Joint Working / Shared Services

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Joint Working is an area that has not been fully explored and the hope is to exploit this and enhance the existing links with not only the Job Centre Plus (JCP) and the Fraud Investigation Service (FIS) of the DWP, but other organisations and departments both within and outside of the Local Authority including the other authorities within Hertfordshire.

New legislation has been passed within Parliament in the form of the Welfare Reform Bill and this now sets the legal framework to allow Local Authorities to prosecute offences against DWP administered benefits.

Good relations already exist between the Fraud Investigation Service (FIS) and Watford's investigation team and the aim is to further that relationship.

It is also anticipated that under the shared services programme, both fraud teams will benefit by the adoption of best working practices.

### Pro Active Investigations

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Due to the changes that this year brings and the restructure of the section it is not envisaged that specific pro active exercises will be undertaken other than those we are already committed to with the Licensing Department and the Police. There are at least five 'Taxi driver' exercises planned with the licensing department and in addition to which there are plans to undertake a number of exercises in relation to the fast food and restaurant businesses throughout the borough.

The team's role of corporate investigation was never really developed last year with the responsibility for such corporate investigations remaining largely with the Audit

Manager. It is the intention that both the Audit Manager and the Human Resources department will draw on the knowledge and experience of the investigation staff as and when required to assist in such investigations. The shared services programme may affect the provision of fraud investigation services.

One of the proposed corporate activities mentioned in the last business plan of checking the integrity of the PC network for breaches of the policy specifically in relation to inappropriate material on hard drives and within the email system has now been instigated by the IT department.

### Data Matching Initiatives

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Housing Benefit Matching Service (HBMS) and the National Fraud Initiative (NFI) remain the primary data matching activities that the council will be committed to. Unfortunately the problems encountered by Her Majesties Revenues and Customs (H.M.R.C.) saw a total embargo in relation to data transfer between the Department for Work and Pensions and local authorities which has consequently seen a reduction in the number of cases identified through the HBMS protocols. This embargo has been in place since November 2007 and at time of writing we are still unsure as to when this will be re instated although DWP are endeavouring to introduce safe means of communication and encryption protocols.

Whilst there were significant losses of data between government departments and organisations none of the data concerned was local authority data.

### Staff Training

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All active investigation staff are PINS accredited, and this training has been supplemented by the Bond Solon BTec in Fraud Investigation.

The team would however benefit from additional and periodic legislation updates as well as basic Microsoft Office™ application training, specifically, Word™ and Excel™. This



will enable them to produce better quality reports and to undertake analysis of the data from the Case Management system, and other data such as the HBMS and Risk analysis data.

Suggested training for this year includes:

- Open Source Investigation
- Welfare Reform Act 2007 update
- Microsoft Office™
- Surveillance Refresher
- Employment Law

## **Monitoring**

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To ensure that the plan is effective, adhered to and targets and goals are being achieved quarterly meetings will be held between the Fraud Manager, Senior Investigation Officer and the Audit Manager to monitor both performance and completed activity against this report.

The performance of individual investigators will be monitored.

## **Targets**

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As reported in last years Business Plan the government has been gradually eroding the reporting requirements for local authority fraud investigation. The primary bench mark that will remain next year is the number of sanctions applied and even this is now to be reported at a local and not a national level. Last year's target was a collective 'Team Target' of 54 sanctions, which had been doubled from that of the previous year

This was achieved within the first 10 months of the year.

Following the improved performance the team's sanctions target is being set at 75 and it is anticipated that at least 20% of these will be prosecutions. This figure is to be split equally between the three officers, therefore giving them an individual target of 25 sanctions.

## **I n f r a s t r u c t u r e**

### **Web Site**

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The website is the team's main contact medium with the general public.

Promoting the work of the team is very important and therefore details of all sanctions (Administrative Penalties, Cautions and Prosecutions) will be recorded on the site.

