

# COUNTER FRAUD STRATEGY 2025 TO 2028

<b>Cabinet Member &amp; Portfolio</b>	Councillor Martin Goddard, Cabinet Member for Finance & Transformation
<b>Responsible Officer</b>	Richard Ennis, Corporate Director of Finance
<b>Report Author &amp; Directorate</b>	Alex Brown, Head of Counter Fraud
<b>Papers with report</b>	Appendix A - Counter Fraud Strategy 2025 to 2028

## HEADLINES

<b>Summary</b>	This report sets out the Council's corporate strategy for countering fraud between 2025 and 2028 and seeks formal approval from Cabinet.
<b>Putting our Residents First</b> <b>Delivering on the Council Strategy 2022-2026</b>	This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents  This report supports our commitments to residents of: A Digital-Enabled, Modern, Well-Run Council
<b>Financial Cost</b>	There are no direct financial implications arising from this report.
<b>Relevant Committees</b>	Audit Committee / Corporate Resources & Infrastructure Select Committee
<b>Ward(s)</b>	N/A

## RECOMMENDATIONS

**That the Cabinet approve the Counter Fraud Strategy for 2025 to 2028 as set out in Appendix A.**

### Reasons for recommendation(s)

The Counter Fraud Team's (CFT) primary objective is to provide Hillingdon Council, and its residents, with a professional and high performing risk-based counter fraud service covering all areas of Council business. A service which proactively and effectively manages the risk of fraud inherent in the provision of services to the residents of the Borough and within the administration of public finances. This includes robustly pursuing the prevention and detection of fraud and corruption through reactive and proactive investigation, championing and reinforcing a borough-wide counter-fraud culture, taking appropriate sanction and prosecution action where necessary.

This gives assurance to the Council over its fraud risks and builds residents' confidence in the Council and its protection of the public purse.

The recommendation is to approve the Counter Fraud Strategy for 2025 to 2028, which sets out the strategic approach to fraud prevention and detection.

### **Alternative options considered / risk management**

The alternative option is for the Council to not to implement an up-to-date strategy. This option would not be compliant with the new Economic Crime & Corporate Transparency Act 2023, in particular, the corporate criminal offence "Failure to prevent fraud" and the "Reasonable fraud prevention procedures" that should be put in place.

### **Democratic compliance / previous authority**

Cabinet is the relevant body to approve corporate level policies.

### **Relevant Committee comments**

The Audit Committee had oversight of the draft Counter Fraud Strategy 2025-28 at its meeting on 11<sup>th</sup> February 2022 and supported it. The Corporate Resources & Infrastructure Select Committee has undertaken scrutiny oversight of the work of the Counter Fraud Team.

## **SUPPORTING INFORMATION**

### **The role of the Counter Fraud Team**

The CFT supports the Council in meeting its statutory responsibility under section 151 of the Local Government Act 1972 ensuring the "*local authority shall make arrangements for the proper administration of their financial affairs.*". The work of the CFT underpins the Council's commitment to a zero-tolerance approach to fraud, bribery, corruption, and other irregularities, including any money laundering activity.

According to the Fraud Advisory Panel the public sector, and more specifically local authorities, lose an estimated £2.1bn each year to fraud and corruption. This loss directly affects the services that local authorities provide, negatively impacting on the availability of resources, reducing the money able to be spent on key services and damaging the reputation of councils with their residents. The scarcity of councils' resources within the current economic climate creates a further urgency to respond robustly to the fraud threat and is a key element when ensuring the proper administration of public money.

Wherever a local authority provides a valuable service to its residents, such as social housing, grants payments, Adult & Children's Social Care, payment to suppliers or staff, or a benefit payment, there is the opportunity for fraud.

The challenge for all councils is in ensuring that fraud losses within its services and payments are minimised or, where possible, prevented altogether. The challenge is increased further when

considering that fraudsters are continually innovating, finding new ways to defraud, to access benefits and services they are not entitled to, and receive wrongful payments.

### **A strategic approach to counter fraud**

It is vitally important to have a clear strategy in place to define and direct the Council's approach to effectively manage both the internal and external risk of fraud and corruption. This demonstrates the Council meeting its statutory responsibilities and supports its vision of '*putting our residents first*' by ensuring that public funds are not lost to fraud and corruption.

The Counter Fraud Strategy 2025 to 2028 sets out the CFT's strategy within several key objectives:

1. Maximise loss prevention within Council services through effective counter fraud activity;
2. Limit the opportunity for instances of fraud and corruption across the Council through effective prevention measures;
3. Create a strong deterrent effect to fraud and corruption;
4. Improve the Council's reputation across all stakeholders through the visibility of effective counter fraud activities;
5. Improve the Council's overall governance arrangements;
6. Reinforce an organisational culture of zero-tolerance to fraud;
7. Embed and maintain an organisation wide fraud risk awareness; and
8. Achieve the CFT Operational Work Plan for each financial year.

In addition, the strategy focuses on 4 key pillars in line with delivering the above objectives. These 4 pillars are the foundations on how the Counter Fraud Team will operate:

1. Prevent, detect, pursue and deter
2. Risk based strategic fraud overview
3. Innovation & Modernisation
4. Partnership & Engagement

### **Financial Implications**

There are no direct financial implications linked to the Counter Fraud Strategy 2025-2028.

## **RESIDENT BENEFIT & CONSULTATION**

### **The benefit or impact upon Hillingdon residents, service users and communities?**

The impact of fraud and corruption threatens the prosperity of the London Borough of Hillingdon and its residents, with the potential to erode confidence in the Council as an institution. Fraud and corruption take money away from essential Council services and reduces the Council's ability to help those most in need.

The effects of fraud are often compounded by its link to organised criminal activity and the negative impact on the community and increased levels of related crime. This makes counter fraud work a crucial activity for the Council, with the benefits of an effective counter fraud service, supported by an effective corporate framework, being felt by all residents, essential service users and communities alike.

### **Consultation carried out or required**

No consultation was carried out in relation to this report. The Counter Fraud Strategy does not involve proposals that directly affect residents; therefore, no consultation is required.

## **CORPORATE CONSIDERATIONS**

### **Corporate Finance**

Corporate Finance have reviewed the report and concur with the Financial Implications set out above, noting that there are not direct financial implications associated with the recommendation to approve the Counter Fraud Strategy for 2025 to 2028.

### **Legal**

The legal implications are appropriately dealt with in the body of this report. Adoption and implementation of the strategy as proposed will ensure compliance with Hillingdon's obligations Economic Crime & Corporate Transparency Act 2023 and all other relevant obligations. It is essential that all officers and members take personal responsibility for understanding how to identify and deal with fraud and corruption issues.

## **BACKGROUND PAPERS**

The following background papers were used in the review of the Counter Fraud Strategy 2025 to 2028:

- [Fighting Fraud and Corruption Locally 2020](#)
- [Economic Crime & Corporate Transparency Act – “Failure to prevent fraud” Guidance](#)