

## Business Planning / MTF5 Options 2020/21 – 2024/25

<b>20/25 - YC02</b>
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<b>Title of Option:</b>	Income from joining the London Counter Fraud Hub		
<b>Priority:</b>	Your Council - P5	<b>Responsible Officer:</b>	Minesh Jani, Head of Audit and Risk Management
<b>Affected Service(s) and AD:</b>	Corporate Governance / Legal Services - Bernie Ryan	<b>Contact / Lead:</b>	Minesh Jani, Head of Audit and Risk Management

**Description of Option:**

- What is the proposal in essence? What is its scope? What will change?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

The London Counter Fraud Hub, managed by the Chartered Institute of Public Finance and Accountancy (CIPFA), is a counter fraud service developed to supply data analytics, investigations and recoveries service for London Local Authorities and the City of London Corporation. Unlike traditional data matching hubs, this project is an end-to-end service providing expert advice and operational support around sophisticated analytics. The overarching objective for the service is to increase fraud and corruption detection, and improve fraud prevention, share common risks across London, minimise losses and maximise recovery, so that fraud and corruption does not pay. Three data sources (Council Tax - Single Person Discount, Housing Tenancy and Non Domestic Rate records are entered into the analytics part of the Hub through a secure transfer. Using sophisticated technology, the Hub will analyse the data to identify frauds against the 32 London local authorities and the City of London Corporation.

This proposal delivers objectives set out in Priority 5 Your Council - The way the Council works of the Borough Plan; "We will be a Council that uses its resources in a sustainable way to priorities the needs of the most vulnerable residents".

It is anticipated the proactive counter fraud activities will contribute to generating additional income from Council Tax single person discount and Non Domestic rates.

There will be an increase in the work load of the Counter Fraud team and the proposals recognise the impact of this in the financial assessment below and in the net financial contribution anticipated from joining the Hub.

The initial tranche of £25k income is anticipated to arise from our activity using the National Fraud Initiative, which is less precise and will require considerable work to sift through the matching results. It is anticipated the next tranche of work using the Hub will also generate additional revenue.

### Financial Benefits Summary

Savings	2020/21	2021/22	2022/23	2023/24	2024/25	Total
<i>All savings shown on an incremental</i>	£000s	£000s	£000s	£000s	£000s	£000s
<b>New net additional savings</b>	- 25	- 25	-	-	-	- 50

Capital Implementation Costs	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Total Capital Costs</b>	-	75	-	-	-	75

### Financial Implications Outline

- How have the savings above been determined? Please provide a brief breakdown of the factors considered.
- Is any additional investment required in order to deliver the proposal?
- If relevant, how will additional income be generated and how has the amounts been determined?

The new net additional savings represents the net additional income realised by the Council, £50k. There are a number of assumptions: -

1. The London Counter Fraud Hub goes ahead. For the hub to be viable, a minimum of 26 local authorities have to join. At this stage, it is not known whether 26 local authorities will sign up.
2. Housing fraud resulting in recovery of properties is used to house homeless people thereby reducing cost in the use of temporary accommodation.
3. There will be an initial joining fee of £75k, and that this is capitalised (CIPFA suggest this is possible).
4. Where a fraud / error is identified, that at least 50% of the income due is collected as additional funds.
5. The savings identified at pilot authorities (Croydon, Islington, Camden and Ealing) will be realised at Haringey.
6. Procurement processes are complied with and the tender arrangements carried out by London Borough of Ealing are compliant. Full compliance is established.

### Delivery Confidence

At this stage, how confident are you that this option could be delivered and benefits realised as set out? (1 = not at all confident; 5 = very confident)	3, on the basis this is a new venture for the authority (see comments above re assumptions), and yet the proposals should yield financial and non financial benefits.
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### Indicative timescale for implementation

Est. start date for consultation DD/MM/YY	01/04/2021	Est. completion date for implementation DD/MM/YY	31/03/2022
Is there an opportunity for implementation before April 2020? Y/N ; any constraints?	Yes, provided Cabinet approves the Council joining the Hub (this is needed as the cost of the proposal over 7 years, which is the length of the contract, and will be £705k) please see assumptions above. The timeline is also reliant on the matches being carried out by CIPFA.		

**Implementation Details**

- How will the proposal be implemented? Are any additional resources required?
- Please provide a brief timeline of the implementation phase.
- How will a successful implementation be measured? Which performance indicators are most relevant?

Discussions have already begun with Revenue Services (Council Tax and National Non Domestic Rates - NNDR) and with Homes For Haringey (Housing).

We are reliant on when a match is identified and available for investigations, though these should be available for the start of the 2021/22 financial year. Two additional Investigatory Officers will be appointed for one year to support the matches identified at the start of the project and allowance has been made for half a post in the Council Tax Team for on-going checks on potential fraudulent cases.

The success of implementation and the project will be in identifying a certain number of anomalies and fraud.

**Impact / non-financial benefits and disbenefits**

What is the likely impact on customers and how will negative impacts be mitigated or managed?

List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)

**Positive Impacts**

This project will demonstrate the authority takes fraud seriously, and is looking to make sure its scarce resources is being used properly. The project will also generate additional revenue and regularise people who may be claiming SPD in error and may be entitled to Council Tax Reduction, based on their personal circumstances.

**Negative Impacts**

Members may view this project as a way of stopping residents entitlements for financial reasons. It is also anticipated ward members will receive increased enquiries about the work of the council in this area, and will be asked to refer such cases to the Corporate Fraud Team.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?  
List both positive and negative impacts.

**Positive Impacts**

The Chair of the Corporate Committee has been consulted around stopping fraud and is supportive of this type of work.

**Negative Impacts**

This project has been in development for a number of years and though the project's feasibility is understood, there are a number of challenges, which are inevitable for a project this size as well as being a new venture. The decision to join will have to be based on recognising the risks set out above to ensure manage reputational and financial risks.

How does this option ensure the Council is able to meet **statutory requirements**?

The work of the Counter Fraud Team is an important determinant of the Council's statutory duty to maintain an effective arrangement to fulfil the Accounts and Audit Regulations 2015 and S151 responsibilities under the Local Government Act.

## Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

<b>Risk</b>	<b>Impact (H/M/L)</b>	<b>Probability (H/M/L)</b>	<b>Mitigation</b>
The project does not go ahead	H	M	None possible for Haringey Council
The project does not identify the fraud / errors	H	M	Secure appropriate resources and data analytics expert

Has the EqIA Screening Tool been completed for this proposal?	Yes
<u>EqIA Screening Tool</u>	
Is a full EqIA required?	No