

# Digital Innovation & Efficiency Committee

Item No 6

<b>Report title:</b>	<b>Norfolk Counter Fraud Hub</b>
<b>Date of meeting:</b>	<b>18 September 2017</b>
<b>Responsible Chief Officer:</b>	<b>Simon George – Executive Director, Finance and Commercial Services</b>
<b>Strategic Impact</b>	
<p>This report and accompanying short presentation from BAE systems and Cipfa has been scheduled in order to introduce the committee to a new opportunity to drive out savings for Norfolk County Council and Norfolk's District Councils.</p>	

## Executive Summary

This report provides an introduction to the Committee of an opportunity to generate savings for the public sector in Norfolk based upon the work in progress across London Boroughs to identify, stop and prevent fraud. London Boroughs collaboratively procured BAE systems as the technology provider, in partnership with Cipfa (the public sector accountancy organisation) to establish the hub, reduce fraud and drive out savings.

The associated presentation will review learning from the London Hub and consider the suitability of a similar approach being pursued across Norfolk County.

### Recommendations:

**Digital Innovation & Efficiency Committee is recommended to:**

- 1) Note the information provided in this report.**
- 2) Direct officers to proceed with the development of a business case and implementation plans for a Norfolk County counter fraud hub.**
- 3) Present the business case at a future Digital Innovation and Efficiency Committee meeting.**

## 1. Introduction

- 1.1. The Digital Innovation and Efficiency Committee are asked to consider the concept of a regional anti-fraud hub based on the work carried out between London Boroughs, Cipfa and BAE systems. This work should be considered against the background of the government counter fraud and corruption strategy which is summarised below.

## 2. The local government counter fraud and corruption strategy 2016 - 2019

- 2.1. “Fighting Fraud and Corruption Locally” is the new counter fraud and corruption strategy for local government. It provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. By using this strategy local authorities will develop and maintain a culture in which fraud and corruption are understood to be unacceptable, understand their fraud risk and prevent fraud more effectively, use technology to improve their response, share information and resources more effectively to prevent and detect fraud loss, bring fraudsters account more quickly and efficiently, and improve the recovery of losses.
- 2.2. Local authorities face a significant fraud challenge. Fraud costs local authorities an estimated £2.1bn a year. Every £1 that a local authority loses to fraud is £1 that it cannot spend on supporting the community. Fraud and corruption are a drain on local authority resources and can lead to reputational damage.
- 2.3. Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same. There is a clear need for a tougher stance. This includes tackling cross boundary and organised fraud and corruption attempts, as well as addressing new risks. In addition to the scale of losses, there are further challenges arising from changes in the wider public sector landscape including budget reductions, service remodelling and integration, and government policy changes. Local authorities will need to work with new agencies in a new national counter fraud landscape.

### **3. The Proposed Business Case**

- 3.1. The business case for Norfolk County Council will need to consider the financial scale of the opportunity against the cost to implement and resource the hub, as well as the procurement mechanism. For example the council could follow London with a payment by result mechanism or directly commission the development of the technology and associated services.
- 3.2. As well as the value of fraudulent activity involving public funding and the likelihood of recovery or prevention. The beneficiary of the savings must be established, for example reduction of travel related funding would primarily benefit the County Council, whereas reduction in Housing Benefits, Council Tax or Business rates fraud would primarily benefit district councils finances, although Norfolk County Council would also indirectly benefit.

### **4. Recommendations**

- 4.1. The Digital Innovation and Efficiency Committee are asked to note the content of this report and direct officers to further develop the business case to set up a counter fraud hub for Norfolk in conjunction with Norfolk district councils.

### **5. Financial Implications**

- 5.1. At this stage there are no financial implications for the Committee’s Budget set out in this report.

### **6. Issues, risks and innovation**

- 6.1. At this stage there are no significant risks or implications.

## 7. Background Papers

- 7.1. Background papers relevant to the preparation of this report are set out below.  
7.2. [www.gov.uk/government/publications/fighting-fraud-and-corruption-locally-2016-to-2019](http://www.gov.uk/government/publications/fighting-fraud-and-corruption-locally-2016-to-2019)

## 8. Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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