

Appendix 3

Anti-Fraud and Corruption Plan

2025/26



1 EXECUTIVE SUMMARY

1.0 Introduction

Halton Borough Council has a duty to safeguard the public funds entrusted to it. The Council expects the highest standards of conduct and integrity from everyone it engages with - this includes employees, elected members, contractors, volunteers, and members of the public.

The Council is firmly committed to the prevention and elimination of fraud and corruption. It is dedicated to conducting all of its activities ethically, transparently, and with the utmost honesty and accountability. This commitment is essential to protecting public funds and maintaining public safety.

Counter-fraud activity plays a critical role in protecting resources and ensuring that they are used efficiently and for their intended purpose. Through the prevention, detection, and investigation of fraud, the Investigations Team helps to uphold the integrity of the Council's operations and supports the delivery of high-quality, value-for-money services. This work reinforces public confidence and directly supports the Council's corporate priorities, including financial sustainability, service effectiveness, and public trust.

1.1 Purpose of the Anti-Fraud and Corruption Plan

The Anti-Fraud and Corruption Plan sets out the Council's approach to preventing, detecting, and responding to fraud and related irregularities. It supports the objectives of the Fraud Strategy 2025–2030 and is aligned with national guidance, including the principles set out in the *Fighting Fraud and Corruption Locally (FFCL)* strategy.

The Plan provides a structured programme of activity aimed at addressing fraud risk across the organisation. It will ensure that counter-fraud efforts are focused on areas of greatest risk, support the achievement of corporate priorities, enable effective resource allocation, and provide a framework for monitoring performance.

1.2 Key Principles

The Plan reaffirms the Council's zero tolerance approach to fraud and outlines how proactive prevention measures will be implemented alongside activities focused on detection, investigation, training, and strengthening internal controls.

1 EXECUTIVE SUMMARY

Effective collaboration between Internal Audit, the Investigations Team, and individual service areas will be critical to ensuring that fraud risks are identified early and addressed appropriately.

1.3 Approach to Planning

This document summarises the results of the Investigation Team's planning in relation to anti-fraud work, and sets out the:

- Responsibilities and scope of the Investigations Team
- Resourcing and delivery of the Council's counter-fraud arrangements
- Arrangements for reporting of suspected fraud and corruption
- Proposed programme of work for 2025/26 (the Anti-Fraud and Corruption Plan)

In developing this Anti-Fraud and Corruption Plan, a range of internal and external sources have been considered to ensure that the programme of work is risk-based, proportionate, and appropriately targeted. These include:

- Key risks identified in the annual fraud risk assessment
- Findings and recommendations arising from previous internal audit and fraud investigation work
- Emerging fraud risks and trends, informed through engagement with professional networks such as the North West Fraud Group

2 RESPONSIBILITIES AND SCOPE

2.1 Responsibilities for fraud prevention and detection

The primary responsibility for the prevention and detection of fraud rests with management. This includes fostering a culture of integrity and ethical behaviour, where fraud is not tolerated and accountability is promoted at all levels of the organisation. Management is expected to identify and assess fraud risks relevant to their operations, implement robust internal controls, and ensure that these controls are reviewed regularly and updated. In addition, management should encourage the reporting of concerns, and respond promptly and effectively to any suspected incidents of fraud.

2.2 Responsibilities for fraud investigation

The Council operates a dedicated Investigations Team that is responsible for all fraud-related and HR investigatory work. Specifically, this includes:

- Reviewing and developing the Council's counter-fraud arrangements
- Assessing the main fraud and corruption risks faced by the Council
- Planning and delivering proactive counter-fraud work
- Investigating suspected fraud and corruption
- Investigation of stage two corporate complaints

2.3 Responsibilities of the Audit and Governance Board

The Audit and Governance Board is responsible for the following in relation to counter-fraud and corruption:

- To review the assessment of risks and potential harm to the Council from fraud and corruption
- To review, approve, and monitor the Council's counter-fraud policies and strategies, counter-fraud activity, and associated resourcing

2.4 Scope of counter-fraud activities

The scope of counter-fraud work includes:

- Investigating suspected fraud and corruption and taking appropriate action

2 RESPONSIBILITIES AND SCOPE

- Reviewing whistleblowing complaints and undertaking an investigation where appropriate
- Participation in the National Fraud Initiative (NFI) and investigation of the resulting data matches
- Delivering information and training in relation to fraud awareness across the Council
- Carrying out proactive fraud detection work and subsequent investigation of any anomalies
- Working to recover funds lost through fraud and error

3 RESOURCING

3.1 Resourcing and delivery of the Anti-Fraud and Corruption Plan

The 2025/25 Anti-Fraud and Corruption Plan will be delivered by an experienced and appropriately qualified in-house team comprising 3.8 FTE officers, with three members of the team holding accredited counter-fraud qualifications. This level of resourcing is considered sufficient to deliver the planned programme of work.

Where appropriate, the Investigations Team will also work jointly with colleagues from the Department of Work and Pensions (DWP) in relation to the completion of investigations and any subsequent legal action or recovery of funds.

3.2 Legislation

As Authorised Officers under Regulation 3 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, the Investigating Officers can require organisations to provide information under Regulation 4 and Regulation 5 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

The Public Authorities (Fraud, Error and Recovery) Bill 2025 will give the Public Sector Fraud Authority (PSFA), within the Cabinet Office, new powers to investigate fraud against public authorities outside of tax and social security. The PSFA will be able to initiate or adopt investigations into public sector fraud at the request of the public authority.

The Data Protection Act 1998 permits sharing of personal data for the purposes of:

- a) the prevention or detection of crime,
- b) the apprehension or prosecution of offenders, or
- c) the assessment or collection of a tax or duty or an imposition of a similar nature.

3.3 National Anti-Fraud Network (NAFN)

The team is a member of NAFN, which enables requests to be made for external organisations to provide information to support our investigations into suspected fraud.

3 RESOURCING

3.4 Reporting

The Anti-Fraud and Corruption Plan will be reviewed annually and submitted to the Board for approval each March. Progress in delivering the Plan will be reported in the Annual Fraud and Corruption Update, which is next scheduled for presentation to the Board in June 2026.

4 KEY PRINCIPLES

This Plan is aligned with the five key principles set out in the Counter Fraud Strategy 2025 – 2030 and covers the period from October 2025 to March 2026. Future plans will be submitted to the Board for approval each March.

Key Principle	Area	Context	Coverage
Zero tolerance to fraud	Fraud investigation	The Council takes a zero-tolerance approach to fraud and takes reports of suspected fraud seriously.	All reports of suspected fraud will be investigated and actions taken, where possible, to recover any losses.
	Use of sanctions policy	The Council's Fraud Sanction and Prosecution Policy allows sanctions to be imposed against any individual or organisation that defrauds, or seeks to defraud the Council.	Where fraud is proven, full use will be made of the available sanctions, including financial penalties or prosecution where appropriate.
Pro-active prevention and detection	Failure to prevent fraud duty	The failure to prevent fraud offence, introduced by the Economic Crime and Corporate Transparency Act 2023, comes into force on 1 September 2025. In the event of prosecution, an organisation would have to demonstrate to the court that it had reasonable fraud prevention measures in place at the time that the fraud was committed.	Fraud-related policies and procedures are currently under review to ensure they reflect and address the implications of the new offence.
	Proactive fraud detection work	By proactively matching data sets and identifying anomalies, potential fraud can be investigated and any losses to the Council minimised.	See Section 5 for the details of proactive work to be undertaken in 2025/26.
Accountability and transparency	Corporate Risk Register	The risk of fraud is highlighted in the Corporate Risk Register as one of the Council's key strategic risks.	Ongoing monitoring of fraud risk and the effectiveness of associated mitigation measures will be reported to the Audit and Governance Board through updates to the Corporate Risk Register.
	Reporting to the Board	The Audit and Governance Board is responsible for approving and monitoring the Council's counter-fraud activity.	An annual Anti-Fraud and Corruption Plan will be submitted to the Board for approval in March each year, and a fraud update report will be presented in June each year.

4 KEY PRINCIPLES

Key Principle	Area	Context	Coverage
	Transparency Code	The Local Government Transparency Code requires local authorities to publish information about their counter fraud work.	The required information will be collated and published annually on the Council's website.
Collaboration	Internal Audit	The Investigations Team works closely with Internal Audit to identify fraud risks across the Council.	The Investigations Team will work collaboratively with Internal Audit to identify and investigate suspected fraud, and to explore opportunities for strengthening controls to reduce the risk of fraud.
	National Fraud Initiative	The National Fraud Initiative provides a data matching service to identify anomalies that may require investigation as suspected fraud.	Data will be compiled and submitted for the annual National Fraud Initiative exercise to match single occupancy discount data to the electoral roll to identify cases where a second, undeclared adult may be resident.
	Joint working	The Single Fraud Investigation Service (SFIS) allows local authorities to work closely with the Department for Work and Pensions (DWP) to investigate benefit fraud.	The Investigations Team will conduct joint investigations with DWP where appropriate.
	Regional fraud groups	Regional fraud groups enable local authorities to share resources, intelligence, and best practices to address fraud risks more effectively.	Attendance at the regional fraud group meetings and membership of the Fighting Fraud and Corruption Locally (FFCL) Knowledge Hub enables collaboration with other local authorities in the fight against fraud.
	National Anti-Fraud Network	The Council is a member of the National Anti-Fraud Network, which supports members in protecting the public interest by providing a secure, single point of contact to access a wide range of information providers using robust legal gateways.	Information will be sought through NAFN where required to support investigations.
Training and awareness	Fraud awareness training	The team has developed a fraud awareness e-learning module, which is mandatory for all staff.	The team will review and update the e-learning module training as necessary, as well as promoting it to staff and monitoring completion.

4 KEY PRINCIPLES

Key Principle	Area	Context	Coverage
	International Fraud Awareness Week	International Fraud Awareness Week takes place in November each year with the aim of raising awareness about fraud prevention.	Materials to raise awareness of fraud prevention will be developed to be circulated via social media during International Fraud Awareness Week.
	Fraud bulletins	Fraud alerts may be received from a number of sources, and provide valuable information relating to emerging fraud risks.	Fraud bulletins will be compiled and circulated across the organisation, as needed, to raise awareness of specific fraud risks and help services remain vigilant.
	Advice and support	If fraud is suspected, staff may require advice and support regarding the best way to deal with it.	Advice and support will be provided across the Council as required.

5 PROACTIVE FRAUD DETECTION WORK – 2025/26

The proactive fraud detection work to be undertaken in the 2025/26 financial year is detailed below, and is based on the results of the annual fraud risk assessment.

Fraud Risk Assessment Rank	Area	Context	Planned Coverage
3	Council Tax – Single Person Discount (SPD)	<p>An exercise has recently been carried out by DataTank to match Council Tax accounts with SPD applied to credit reference data. As a result, SPD was cancelled on 517 accounts, generating an additional £244k in billed revenue.</p> <p>Residents are able to reapply for SPD online without any checks on eligibility or whether it has been previously cancelled.</p>	<p>To review cases identified as part of the DataTank rolling exercise to establish whether a fraud investigation is required.</p> <p>To compare the list of accounts where Single Person Discount (SPD) was cancelled following the DataTank exercise with a list of accounts where SPD has been re-awarded since cancellation. This will help identify any cases where SPD may have been reclaimed fraudulently.</p>
3	Council Tax Reduction / Housing Benefit	<p>If an individual is in receipt of Housing Benefit or Council Tax Reduction, but fails to declare a change in circumstances such as income, capital, or a permanent move to a care home, this may give rise to an overpayment.</p>	<p>To compare a list of individuals who have permanently moved into a care home with Benefits records, it is possible to identify cases where this change has not been declared.</p> <p>Similarly, comparing social care financial assessment records with Housing Benefit and Council Tax Reduction data can help identify instances where a change in circumstances may not have been reported.</p>
3	Business Rates – Small Business Rates Relief (SBRR)	<p>Business Rates are not paid on a property with a rateable value of £12,000 or less, if that is the only property used by the business. For properties with a rateable value of £12,001 to £15,000, the rate of relief is tapered.</p> <p>Businesses may be eligible for Small Business Rate Relief on a second property for up to 12 months if certain conditions apply.</p>	<p>To identify where multiple properties may be linked to a business by matching on e-mail address, mobile phone number, correspondence address and bank details.</p>

6 PROACTIVE FRAUD DETECTION WORK – FUTURE YEARS

Proactive fraud detection work to be undertaken in future years is detailed below. This plan will be updated annually following review of the fraud risk assessment.

Fraud Risk Assessment Rank	Area	Context	Planned Coverage
5	Bankline payments	<p>The NatWest's Bankline system is used to make Faster Payments and CHAPS payments directly from the Council's bank account.</p> <p>There is a risk that fraudulent payments may be made to an employee's own bank accounts using the Bankline system.</p>	To match the recipient details of Bankline payments to employee bank details to identify payments that may have been made fraudulently.
5	Direct Payments	<p>Clients may choose to receive a Direct Payment, allowing them to arrange their own care and support. These payments are made directly into a dedicated bank account.</p> <p>Direct Payments should cease upon the death of the individual; however, if the Council is not promptly notified, payments may continue in error, resulting in an overpayment.</p>	To match the list of Direct Payment clients to the list of deaths to identify any cases where the DP team have not been notified that someone is deceased.
16	Purchasing – credit card expenditure	<p>Corporate credit cards are in use across the Council to provide flexibility in purchasing.</p> <p>There is a risk that cardholders could fraudulently use the card for personal purchases.</p>	Reviewing a sample of credit card statements may highlight anomalies warranting further investigation to establish whether the transactions represent legitimate Council expenditure.
21	Refunds	Elsewhere in the UK, a recent case of fraud involved a Council Tax manager diverting account refunds into their own personal bank account.	To match the bank details of Council Tax and Business Rates staff to refunds to identify any that have been paid to an employee.

6 PROACTIVE FRAUD DETECTION WORK – FUTURE YEARS

Fraud Risk Assessment Rank	Area	Context	Planned Coverage
26	Local User Discount Scheme	<p>Residents of Halton are eligible to apply for the Local User Discount Scheme (LUDS), which provides unlimited bridge crossings for an annual fee. Applicants must evidence their residency by providing copies of their driving licence, council tax bill, and vehicle registration document.</p> <p>There is therefore a risk that individuals may continue to benefit from the scheme after moving out of the borough, without notifying the relevant authorities, thereby retaining access to discounted crossings to which they are no longer entitled.</p>	By matching employees who have declared a Local User Discount Scheme (LUDS) account on the mileage claims system to their home addresses held in the payroll system, it may be possible to identify individuals who continue to benefit from a LUDS account despite residing outside of the borough. This could help detect cases where eligibility no longer applies and ensure that appropriate action is taken.
32	Car mileage	Home to work mileage cannot be claimed by employees in accordance with the Flexible Working Policy.	<p>A comparison of home addresses recorded in the payroll system with journeys submitted on mileage claims could help identify cases where employees may have inappropriately claimed home-to-work mileage, which is generally not reimbursable.</p> <p>This would support the detection of potential errors or misuse of the mileage claims process.</p>
31	Bridge tolls	<p>When making a mileage claim for business journeys, employees declare what type of account they hold with MerseyFlow (if any). This then determines whether they are reimbursed for business journeys that involve crossing either of the Mersey Gateway or Silver Jubilee bridges.</p> <p>Employees without a LUDS account are reimbursed for the cost of the toll, whereas the cost of the tolls for LUDS account holders is paid directly to MerseyFlow by the Council.</p>	By matching the MerseyFlow account type declared for mileage claim purposes to home address recorded in the Payroll system, employees claiming toll reimbursement inappropriately could be identified.

6 PROACTIVE FRAUD DETECTION WORK – FUTURE YEARS

Fraud Risk Assessment Rank	Area	Context	Planned Coverage
32	Discretionary Support Scheme	<p>The Discretionary Support Scheme offers short-term emergency assistance to residents in crisis and provides community support to individuals who need help establishing or maintaining independent living.</p> <p>Eligibility criteria apply, including a general limit of two applications within any 12-month rolling period, although exceptions may be considered in certain circumstances.</p>	<p>To identify cases where multiple successful claims have been made by individuals to verify whether they meet the eligibility criteria.</p>