

ANNUAL FRAUD REPORT 2023/24

1. RECOMMENDATION

1.1 That the Audit Committee note the contents of the report.

2. INTRODUCTION

2.1 The Council is committed to preventing and detecting fraud and will deal openly and forcefully with anyone who acts dishonestly. This report provides an update of the fraud activities for 2023/24.

2.2 The Corporate Fraud and Compliance Officer (0.75 FTE, an increase from 0.56 from 1 January 2024) supported the Revenues, Benefits and Housing team with investigations during 2023/24. The role seeks to promote fraud and error awareness throughout the council. The role is also responsible for the annual Housing Benefit Assurance Process and working with external auditors as part of the Housing Benefit Subsidy claim.

3. FRAUD REFERRALS

3.1 In 2023/24 there have been 87 fraud referrals received relating to entitlement to Housing Benefit, Council Tax Reduction and Single Person Discount, as well as Housing tenancy and Planning. Referrals can be received through different channel, including via our website, by phone to our dedicated line, internally from staff, or from the Department for Work and Pensions. A summary of the type of referrals received is shown in the table below:

Service	Type of referral	No of referrals	Ongoing cases	Closed cases
Benefits				
	Living together	25	10	15
	Undeclared capital	3	2	1
	Undeclared earnings or pensions	12	3	9
	Household composition	13	0	13
	Living elsewhere	11	3	8
	Disability/Other	6	0	6
Housing				
	Housing Tenancy	7	2	5
Revenues				
	Council Tax / Single Person Discount	8	0	8
Other				
	Planning	1	0	1
	Internal	1	0	1
	Total Referrals	87	20	67

- 3.2 Following investigations there has been a total of £67,155 in Housing Benefit overpayments (£27.3million paid out) and £33,888 in Council Tax Reduction non-entitlement (£9.8million awarded). Three Civil Penalties and one Administrative Penalty have been issued. We have worked with the DWP which resulted in a successful prosecution, as per 4.3.
- 3.3 Seven allegations of Housing fraud were received and investigated, working jointly with Housing., These investigations have resulted in three Council properties being returned thus bringing them back into use for much needed accommodation and allocated to a household with a priority housing need.
- 3.4 We have worked with two other local authorities on joint investigations following an allegation of non-occupation of a property and undeclared capital.
- 3.5 One lengthy internal investigation working alongside Hampshire Police and the Crown Prosecution Service resulted in two successful prosecutions and prison sentences.

4. JOINT WORKING WITH THE DEPARTMENT FOR WORK AND PENSIONS (DWP)

- 4.1 The Council is working in partnership with the Department for Work and Pensions (DWP) on joint investigations and prosecutions whereby Council Tax Reduction fraud will be included along with DWP benefit fraud. This is voluntary for local authorities, but mandatory for the DWP where the local authority signs-up. There is no funding from DWP.
- 4.2 As any Council Tax Reduction “overpayment” will be included with the DWP overpayment, this may increase the likelihood of a sanction or prosecution. There will be no cost to the council where there is a prosecution.
- 4.3 Working relations with the DWP have been steadily improving and has resulted in a joint successful prosecution for Housing Benefit and Council Tax Reduction this year with potentially another three cases in the pipeline.

5. NATIONAL FRAUD INITIATIVE

- 5.1 The council partakes in the Cabinet Office National Fraud Initiative which is a biennial exercise that matches data within and between public and private sector bodies to prevent and detect fraud. There is a legal obligation to supply data but not to undertake the exercise. The Council needs to supply the Cabinet Office with data in September 2024 ready for the data match exercise for the 2024/25 year.
- 5.2 The 2022 to 2024 National Fraud Initiative resulted in 23 applicants being removed from the Homesearch register due to changes in their circumstances and there was £2,689.35 identified in overpaid Council Tax Reduction.

6. HOUSING BENEFIT AWARD ACCURACY

- 6.1 The DWP provide targets on the number of Housing Benefit claims local authorities are expected to undertake and complete a full case review on in order to ensure the

correct level of entitlement is being awarded and to reduce fraud and error. This involves checking the household composition, income, capital and rent.

- 6.2 For 2023/24 our target was to undertake 574 full case reviews, and 762 full case reviews were completed, meaning we exceeded DWP targets.

7. PAYMENTS TO HOUSEHOLDS

- 7.1 The Household Support Fund was administered via an application process to support vulnerable households with housing costs. In developing the application process a fraud risk review was undertaken with recommended actions to mitigate fraud and error, including the supply of bank statements with applications.

8. TRAINING

- 8.1 Our e-learning training module is completed by staff every two years. In April 2024 the Council's new Learning Management System (LMS) went live which included a new Fraud training module for staff to complete.
- 8.2 Information Officers were reminded of the Money Laundering policy and procedure. Refresher training has been provided to Tenancy Management team, including record keeping, on topics such as non-occupation.
- 8.3 There is attendance at the Hampshire Fraud Group to keep updated on any legislative changes and to discuss training, new initiatives, and good practices.

9. FRAUD RISK REGISTER

- 9.1 As part of promoting a counter fraud culture, and to raise awareness, each service is asked to consider and review their fraud risk register for their service. This means Service Managers review their service to identify potential risks of fraud, the controls in place, and if any controls are required to eliminate or mitigate fraud.
- 9.2 Service Managers are responsible for reviewing their Fraud Risk Register as part of an annual review process to ensure accuracy and to reflect any changes to service delivery. The review was undertaken in September 2023 and is scheduled to be reviewed in September 2024, with the Corporate Fraud and Compliance Officer ensuring completion and being available to support if required.

10. PUBLICITY

- 10.1 We continue to publicise fraud where appropriate and let it be known that we act on information shared with us.

11. FUTURE ACTIVITIES

- 11.1 We have reviewed our website and will be launching our central fraud landing page with links to services, for example Benefits and Housing, to provide information on how to report fraud, as well as information about scams. We will also utilise social media to promote awareness.

- 11.2 We will continue to work with teams to review processes and procedures and to raise awareness of mitigating fraud and error.
- 11.3 SIAP are undertaking an audit of our fraud processes and procedures and we will consider any recommendations resulting from this.
- 11.4 In line with our commitment to review specific policies every three years, the following policies will be reviewed in 2024:
- Anti-Fraud, Bribery & Corruption Strategy
 - Anti-Money Laundering Policy
 - Council Tax Support Penalty and Prosecution Policy

There has been no change to legislation so there is not anticipated to be any significant changes to these policies.

- 11.5 The Council's e-form for reporting fraud to the Council will be reviewed and updated in 2024 to encompass all types of referrals and make it simpler for residents to complete the form.

Further Information:

Ryan Stevens

Service Manager – Revenues, Benefits and Customer Services

ryan.stevens@nfdc.gov.uk