

## Audit Committee – 27 June 2025

### Annual Fraud report 2024/25

Purpose	For review
Executive Summary	This annual report to the Audit Committee provides a summary of activities and outcomes relating to the prevention and detection of fraud.
<b>Recommendation(s)</b>	<b>That Audit Committee note the contents of this report</b>
Reasons for recommendation(s)	That the Audit Committee note the work being undertaken to support our Fraud Strategy and commitment to reducing fraud and error.
Portfolio Holder(s)	Cllr Jeremy Heron, Finance and Corporate
Strategic Director(s)	Richard Knott - Strategic Director Housing and Communities
Officer Contact	Ryan Stevens Service Manager – Revenues, Benefits and Customer Services <a href="mailto:Ryan.stevens@nfdc.gov.uk">Ryan.stevens@nfdc.gov.uk</a>

### Introduction and background

1. The Council is committed to preventing and detecting fraud and will act openly and forcefully in response to allegations or evidence of dishonesty. This report provides an update of the fraud activities for 2024/25.
2. In response to referrals the Corporate Fraud and Compliance Officer (0.75 FTE) supported the Revenues, Benefits and Housing teams with investigations during 2024/25. This 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, whereby a sample of claims are thoroughly checked and reconciled to the subsidy claim.

### Fraud referrals

3. In 2024/25 87 fraud referrals were received relating to entitlement to Housing Benefit, Council Tax Reduction and Single Person Discount, as well as Housing tenancy. Referrals can be received through different channels, including via our website, by phone to our dedicated line, internally from staff, or from the Department for Work and Pensions (DWP). A summary of the types of referrals received is shown in the table below:

Service	Type of referral	No of referrals	Ongoing cases	Closed cases
Benefits (inc. Housing Benefit, Council Tax Reduction and Universal Credit)	Living together	22	4	18
	Undeclared capital	6	3	3
	Undeclared earnings or pensions	15	1	14
	Household composition	9		9
	Living elsewhere	9	1	8
	Disability/Other	4		4
Housing	Right To Buy	1		1
	Housing Tenancy	2	1	1
Revenues	Council Tax - Single Person Discount	17	1	16
Other	Internal	2	0	2
	<b>Total Referrals</b>	<b>87</b>	<b>11</b>	<b>76</b>

4. Following our investigations there has been:

- a total of £61,875.46 identified in Housing Benefit overpayments
- a total of £21,008.13 identified in Council Tax Reduction non-entitlement.
- one £70.00 Civil Penalty issued
- two warning letters have been issued
- working with DWP has resulted in a successful prosecution with a 12-month Community Order with 100 hours unpaid work and costs.

- two Council Tax Single Person Discounts were removed which resulted in an increase of Council Tax income of £733.67.
5. Allegations of Housing fraud were received and investigated, working jointly with Housing. These investigations have resulted in:
    - three Council properties, one 1-bedroom property, one 2-bedroom property and a 3-bedroom property, being returned to the Council, bringing these properties back into use for households on the housing register. Two of the properties have been allocated to a single person and a family of 5 persons respectively, and the third property is currently being advertised.
  6. We also worked with other local authorities on joint investigations following allegations and sent referrals to the DWP where there were allegations relating to entitlement to Universal Credit.
  7. Two internal investigations were undertaken, working alongside Human Resources. On conclusion of the investigations there was no fraud identified, with both relating to procedural matters which have subsequently been reviewed and improved.

### **Joint working with the Department for Work and Pensions (DWP)**

8. The Council works in partnership with the Department for Work and Pensions (DWP) on joint investigations, for example entitlement to Universal Credit, 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.
9. As any Council Tax Reduction overpayment will be included with all DWP overpayments, this may increase the likelihood of a sanction or prosecution. There will be no cost to the council where there is a prosecution.
10. The partnership with the DWP has resulted in a joint successful prosecution for Housing Benefit and Council Tax Reduction this year, with a 12-month Community Order Issued with 100 hours unpaid work for the convicted party. There are potentially a further three prosecution cases under investigation where the Council is supporting the DWP.

## **National Fraud Initiative**

11. The Council partakes in the Cabinet Office National Fraud Initiative (NFI) 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 supplied the Cabinet Office with data in September 2024 with the matched data being released in January 2025.
12. The NFI matches data from Housing tenants, Housing registers, Council Tax Reductions, payments to suppliers, payroll data and Council Tax data. Tenancy data could indicate if a tenant holds two Local Authority tenancies or addresses. Council Tax data could highlight where a taxpayer receiving a single person discount is no longer the sole occupier of a property. Council Tax Reduction matches could highlight undeclared income, pensions or capital, and payment data may indicate duplicate payments to suppliers.
13. The 2024/25 National Fraud Initiative returned 1,862 data matches which are currently being reviewed but has already resulted in £4,687 being identified in overpaid Council Tax Reduction, whereby claimants had failed to declare earnings and occupational pensions. Enquiries are also being made as to whether a Council owned property is being used as a main residence by the tenant.

## **Housing Benefit Award Accuracy**

14. The DWP set annual targets for the number of Housing Benefit claims to be fully reviewed as part of their Housing Benefit Award Accuracy initiative. In 2024/25 our target was to review 564 claims, which was exceeded with a total of 593 claims being reviewed. From these reviews there were 56 reductions in entitlement, with overpayments totalling £36,271, and 63 increases in entitlement due to unreported changes in circumstances.

## **Payments to households**

15. 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. A sample of Household Support Fund applications were reviewed to ensure compliance and consistency within the applications and no issues were identified in this testing.

## **Fraud awareness and training**

16. 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 all staff to complete.
17. There is attendance at the Hampshire Fraud Group of local authorities to keep updated on any changes and to discuss training, new initiatives, and good practices.

## **Fraud risk register**

18. As part of promoting a counter fraud culture, and to raise awareness, each service is required to consider and review their fraud risks for their service. This means Service Managers review their service to identify potential risks of fraud and the controls and measures in place to eliminate or mitigate fraud.
19. 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 2024.

## **Publicity**

20. We continue to publicise fraud where appropriate and let it be known that we act on information shared with us. A press release was issued following the prosecution referred to in paragraph 9.

## **Other activities**

21. We have reviewed our website and have launched 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.
22. The Council's Report Fraud e-form which allows residents to report allegations of fraud to the Council was reviewed and updated in 2025 to encompass all types of referrals and make it simpler for residents to complete the form.
23. A new Whistleblowing E-Form was created and made available internally for staff to report concerns of misconduct within the Council. This is now available on the Intranet.

24. We will continue to work with teams to review processes and procedures and to raise awareness of mitigating fraud and error.
25. In 2024 the Southern Internal Audit Partnership (SIAP) undertook an audit of our fraud processes and procedures. This gave a reasonable assurance that there was generally a sound system of governance, risk management and controls in place and gave some minor recommendations, namely minor amendments to existing policies that were already due to be reviewed and updated later in 2024.
26. In line with our commitment to review specific policies every three years, the following policies were reviewed and updated in 2024, and approved by Audit Committee in March 2025:
  - Anti-Fraud, Bribery & Corruption Strategy
  - Whistleblowing Policy
  - Council Tax Support Penalty and Prosecution Policy
27. The updated Anti-Fraud, Bribery & Corruption Strategy and Whistleblowing Policy contained minor amendments and were subsequently communicated to staff via the staff email and stored on ForestNet.

### **Future activities**

28. Recognising that the online e-learning training module may not be suitable for all staff, tailored training will be developed for operational staff as part of their toolbox talks and will be undertaken during 2025/26.
29. As part of meeting the required Housing Consumer Standards, the Housing Service will be supported on evidencing the measures to prevent fraud.
30. A targeted review of council tax accounts where a single person discount is being awarded.

### **Options appraisal**

31. The purpose of this report is to provide the Audit Committee with a summary of activities and is considered good practice. There are no alternative options for consideration.

### **Consultation undertaken**

32. The report has been reviewed by the Executive Management Team.

### **Financial and resource implications**

33. The Council is committed to preventing fraud and error and to protect the public purse and there are a number of activities and initiatives to support this aim as detailed in this report.

### **Legal implications**

34. There are no legal implications arising from this report. All legal duties and processes are followed.

### **Risk assessment**

35. Risks relating to fraud are included in each services' Fraud Risk Survey which are reviewed annually by Service Managers.

### **Environmental and climate and nature implications**

36. There are no environmental and climate implications arising from this report.

### **Equalities implications**

37. There are no equalities impact arising from this report.

### **Crime and disorder implications**

38. Our recently approved Fraud Strategy confirms our commitment to preventing fraud and where found, appropriate sanctions will be implemented, such as civil penalties and ultimately prosecution.

### **Data protection, information governance and ICT implications**

39. There are no significant data protection implications arising from this report. All referrals are dealt with in confidence and information is only shared with the DWP where relevant and to support an investigation of potential fraud.

### **Appendices:**

None

### **Background Papers:**

None