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## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Review of Fraud Investigation Activity 2024/25

**Meeting/Date:** Corporate Governance Committee– 9<sup>th</sup> July 2025

**Executive Portfolio:** Resident Services and Corporate Performance  
(S. Ferguson)

**Report by:** Katie Kelly – Revenues and Benefits Manager

**Ward(s) affected:** All

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### **Executive Summary:**

The Council's Anti-Fraud and Corruption Strategy sets out a requirement that a report shall be submitted on an annual basis to the Corporate Governance Committee detailing the work that has been undertaken by the Corporate Fraud Team.

The following report details activity undertaken by the team to prevent and detect Fraud throughout the financial year 2024/25

### **Recommendation(s):**

The Corporate Governance Committee is invited to comment on the content of this report.

## **1. PURPOSE OF THE REPORT**

- 1.1 This report provides a summary of the activity undertaken by the Council's Corporate Fraud Team in 2024/2025.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 All public bodies have a duty to protect the public purse, and proactive efforts to prevent and detect fraud are key to reducing the risk of financial loss.
- 2.2 The Council's Anti-Fraud and Corruption Strategy sets out the organisational response to the threat of fraud. It requires that an annual report be provided to the Corporate Governance Committee detailing the work that has been undertaken by the Corporate Fraud Team, to provide assurance of a robust and effective counter-fraud function.

## **3. WORK UNDERTAKEN 2024/25**

- 3.1 The Corporate Fraud Team undertakes a mix of proactive and reactive work in its efforts to prevent, detect and investigate fraudulent activity. The team also works closely with other stakeholders such as the Department of Work and Pensions (DWP), local Housing Associations and counter-fraud colleagues from other Local Authorities, ensuring a collaborative approach across multiple agencies.
- 3.2 The main areas of focus for the team through 2024/25 have been:
- Reviewing output from the National Fraud Initiative (NFI)
  - Investigating ad-hoc referrals coming into the team from both internal and external sources
  - Pro-active reviews of Council Tax Single Person Discount, undertaken in line with the Cambridgeshire Fraud Initiative
  - Strengthening the organisational approach in the use of surveillance under The Regulation of Investigation Powers Act (RIPA)

### National Fraud Initiative (NFI)

- 3.3 The National Fraud Initiative, or NFI, is national data-matching exercise between both public and private sector bodies to prevent and detect fraud. The Council is required to provide a range of datasets to enable periodic data matching, the results of which are then investigated by each Authority to identify where fraud and / or error exists.
- 3.4 Data matching exercises are conducted bi-annually, with results being received in January 2023 and again in January 2025.

- 3.5 The matching covers a wide range of datasets including Council Tax, Housing Benefit, Payroll, Electoral Register, Housing waiting lists, Taxi licencing and Creditors.
- 3.6 The matches returned to the Council for review highlight anomalies in the data for further investigation. The total number of cases to be reviewed from the current exercise is 12,367. Given the volumes involved, reviewing all of the cases is an ongoing piece of work for the team.

#### Ad-Hoc referrals

- 3.4 The Council receives referrals from members of the public, external organisations, elected members and internal teams throughout the year. Referrals into the team are an incredibly useful source of intelligence, and details of how to make a referral to the fraud team are included on all Council Tax bills. There is also a dedicated page on the Council's website to enable any suspicion of fraud to be reported quickly and easily.
- 3.5 In 2024/25, the team received 60 online referrals, with a further 36 cases being referred to the team from within the Council. These numbers are similar to those received in previous years and demonstrates a good awareness of fraud reporting and due diligence both from within the organisation, and by members of the public.

#### Cambridgeshire Fraud Initiative (CFI)

- 3.5 Since 2023, the Council embarked on a new initiative working closely with colleagues from the other Cambridgeshire District Councils alongside Cambridgeshire County Council, in a combined effort to detect fraud and error in the Council Tax system.
- 3.6 Cambridgeshire County Council provides funding for a post in each of the five District Councils in Cambridgeshire, and also funds software used to review of Council Tax single person discounts which is enhanced with data from credit reference agencies. This data detects where there may be more than one adult residing in a property where a single person discount is in place, with these results then being passed to the team for investigation.

#### Regulation of Investigatory Powers Act (RIPA) – Use of Surveillance

- 3.8 Local Authorities are permitted to gather information covertly to support their investigation and enforcement activities. These investigatory powers can only be used for specific purposes, such as the detection or prevention of a serious crime, and the Council can only undertake covert surveillance under RIPA if the proposed activity is authorised by one of the Council's Authorising Officers and subsequently approved by the Magistrates' Court.
- 3.7 It is a requirement of the Covert Surveillance (RIPA) policy that a report is made annually to the Corporate Governance Committee detailing any activity undertaken in line with the policy for the relevant period. Previously these powers have been used where cameras have been required in the

investigation of fly tipping, for example. In 2024/25, there has been no relevant use of these powers to report.

- 3.10 As part of the governance arrangements for the use of surveillance under RIPA, the Council is subject to periodic inspections by the Investigatory Powers Commissioner's Office (IPCO). An inspection was carried out on 20th June 2024, and the outcome report was brought to the Corporate Governance Committee on 25<sup>th</sup> September 2024.
- 3.12 Since then, training has provided to officers who are involved in either investigations, where the use of RIPA might be a consideration, or to those officers charged with the authorisation of such applications
- 3.13 The Corporate Leadership Team have also received training, with the Chief Executive receiving a more detailed briefing for she also holds the position of Senior Responsible Officer, responsible to ensure that the Authority conducts its RIPA-related activities in accordance with legislative requirements.
- 3.14 The Council's policy regarding the use of RIPA has been refreshed, and in addition to updating references to the relevant Codes of Practice as recommended by the inspection, the opportunity has also been taken to update the look and feel of the policy, separating the policy from procedure.
- 3.15 This distinction reduces confusion for stakeholders and improves organisational understanding of expectations. It also provides for the procedures to be managed closer to operational teams, whilst still allowing appropriate governance over the policy itself. As the procedures in relation to RIPA are confidential, separating the two elements improves transparency, for the policy element can now be shared publicly.
- 3.16 The Portfolio Holder for Resident Services and Corporate Performance was briefed on the changes on 22<sup>nd</sup> May 2025, and the updated policy document can be found in APPENDIX A. All actions arising from the inspection have now been completed.

#### **4. KEY IMPACTS / RISKS**

- 4.1. An effective counter-fraud team has a significant positive impact on both the Council's financial integrity and public trust. By identifying, investigating and preventing fraudulent activities, the team safeguards public funds required to deliver vital services to residents.
- 4.2 The key financial benefits arising from the work undertaken by the Corporate Fraud Team in 2024/25 are as follows:

Investigation Type	Cases Proven	Value £
Council Tax Discounts (including Single Person Discount)	52	103,506
CFI Project	92	133,455
Benefits (Local Council Tax Support, Housing Benefit and Discretionary Housing Payment)	12	64,374
Housing / Tenancy Fraud	5	-
Other (see 4.5-4.8)	1	10,000
Total Value		311,308
Total NFI cases processed		1,119

- 4.2 The value of savings achieved is calculated using a recognised methodology set out by the National Fraud Initiative. This approach allows not only for the capture of actual savings, but also provides for a projection of future savings derived as a result of action taken.
- 4.3 Where there is no straightforward way to determine an exact value derived, such as Tenancy Fraud, a nationally agreed formula suggests the overall value to be in the region of £42k per property, after consideration of factors such as the duration for which fraudulent activity may have continued undetected, the legal costs of recovering a property and an estimate of the annual cost of temporary accommodation.
- 4.4 As Huntingdonshire District Council are not the owners of housing stock the NFI calculation methodology has not been used as a measure of success in this instance. However, by supporting social housing providers with investigatory work, 3 homes were able to be recovered in 2024/25, increasing the availability of accommodation to those in need. Another successful investigation resulted in an application for homelessness being denied, and in one further case the property was unable to be recovered due to the individual circumstances, despite the fraud being proven.
- 4.5 There was one case of fraud was proven that does not fall to be within the main categories of work. This case related to the Homes for Ukraine scheme, where a local resident applied to host a Ukrainian family who had fled their home country due to war.
- 4.7 Following a referral from the team that administered the scheme, an investigation found that despite the family leaving the UK a month after their arrival, the resident maintained that the family were residing with her and had continued to collect host payments from the scheme.
- 4.8 Whilst the investigatory work was completed in 2024/25, the case did not appear before the Magistrate's Court until May this year, where the defendant was found guilty of fraud and given a suspended sentence, alongside an order to repay the full sums obtained by the deception, plus costs. Further details can be found in the press release in APPENDIX B.

## **5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

*(See Corporate Plan)*

- 5.1 Every penny of income lost to fraud is money that cannot be spent on services for our communities. By ensuring that the organisation maintains a robust approach to the prevention and detection of fraud, the work of the Corporate Fraud Team links to all three priorities of the Council.

- 1) Improve the quality of life for local people.  
It is important to note that the repercussions of fraud can be more than just financial. Through the course of their work the team encounters a range of issues faced by residents and are proactive in making referrals for appropriate support.
- 2) Create a better Huntingdonshire for future generations.  
By working closely with housing providers to investigate allegations of tenancy fraud, more social housing stock is available to those in genuine need.
- 3) Doing our core work well.  
A robust approach to preventing and detecting fraud ensures that the risk of financial loss is minimised, supporting the delivery of good quality, high value-for-money services with good control and compliance with statutory obligations.

## **6. REASONS FOR THE RECOMMENDED DECISIONS**

- 6.1 The Anti-Fraud and Corruption Strategy sets out a requirement for an annual report to be submitted to the Corporate Governance Committee on the work of the Corporate Fraud Team during the previous financial year.

## **7. Background Papers**

APPENDIX A – RIPA policy

APPENDIX B – Press Release

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