

Committee/Panel –
Corporate Governance Committee - 8th July 2026

Report by: Paul Bicknell – Corporate Fraud
Manager

Lead Cllr: Cllr Nathan Hunt
Executive Councillor for Resident
Services and Corporate
Performance



Wards
ALL

Open / Exempt
Open

Key Decision?
No

Review of Fraud Investigation Activity 2025/26

Executive Summary: The Council's Anti-Fraud, Bribery and Corruption Strategy 2025-28 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 (CFT).

The following report details activity undertaken by the team to prevent and detect fraud throughout the financial year 2025/26.

Recommendations

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

Key Corporate Plan Priorities

- 1 Improving the quality of life for local people.
- 2 Creating a better Huntingdonshire for future generations.
- 3 Doing our core work well.

Report Author(s)

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1. PURPOSE OF THE REPORT

1.1 This report provides a summary of the activity undertaken by the Council's Corporate Fraud Team (CFT) in 2025/2026.

2. BACKGROUND & CONTEXT

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 most recent report detailing the estimated annual UK loss to fraud is that produced by the Centre of Counter Fraud Studies at the University of Portsmouth: Annual Fraud Indicator 2023. According to this, fraud is estimated to cost the UK economy a total of £219 billion per annum. More specifically, it suggests the cost of fraud to Local Government is £8.8 billion per year. Clearly, the risk of fraud is significant and so taking steps to prevent and detect it are key to minimising loss and ensuring that public funds are spent in the way that tax-payers would expect.

2.3 Huntingdonshire District Council is responsible for the administration of substantial amounts of public funds, so like all local authorities, is likely to be a target for fraudsters. Therefore, with finances being hard pressed it is vital to maintain robust policies and procedures to safeguard the council's integrity against potential fraud and to seize every opportunity to tackle fraudulent activity directed against the council.

2.4 The Council's Anti-Fraud, Bribery and Corruption Strategy 2025-28 sets out the organisational response to the threat of fraud and requires that an annual report be provided to the Corporate Governance Committee detailing the work that has been undertaken by the CFT.

3. WORK UNDERTAKEN 2025/26

3.1 The main areas of focus for the CFT in 2025/26 were:

- Investigating ad-hoc referrals coming into the team from both internal and external sources
- Activity undertaken in line with the Cambridgeshire Fraud Initiative
- Reviewing output from the National Fraud Initiative (NFI)
- Development of relationships with local Housing Providers enabling the investigation of alleged tenancy fraud, working together to ensure that valuable social housing stock is available for those in genuine need
- Raising the profile of the team through blogs, online awareness training for all staff, member awareness training and increased visibility on the intranet
- Improvements to the online reporting process making it easier for employees and members of the public to report suspected fraud

Ad-Hoc Referrals

3.2 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 our website to enable any suspicion of fraud to be reported quickly and easily from external sources as well as pages and links on the intranet for internal referrals.

- 3.3** In 2025/26 the team received 159 referrals which is an increase from 130 received in 2024/25. The major difference is that of those, 105 were via the online reporting form compared to 60 in 2024/25. This is encouraging and demonstrates a good awareness of fraud by members of the public as well as showing that the revised online reporting form is effective. A further 43 cases were received internally compared to 37 in 2024/25. As we strive to raise the profile of the team and highlight the risk of fraud, we would expect these numbers to increase in 2026/27.

Cambridgeshire Fraud Initiative (CFI) Project

- 3.4** Since 2023, the Council has participated in an 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.
- 3.5** Cambridgeshire County Council provides funding for a post in each of the five District Councils in Cambridgeshire and also covers the cost of software used to match our Council Tax - Single Person Discount (SPD) data against that held by credit reference agencies and other sources, identifying where there may be more than one adult residing in a property where a SPD is in place.
- 3.6** The most recent refresh of this exercise was conducted on 29th September 2025 when 25,984 matches were identified. Of these, 19,313 (74.3%) were presented as zero risk. This left 87 matches (0.3%) classified as High-Risk, 873 (3.4%) classified as Medium-Risk and 5,711 (22%) classified as Low-Risk, a total of 6,671 all needing to be reviewed in priority order. Each case is reviewed individually making this a significant and lengthy piece of work. At the time of writing this report, 671 of these matches have been reviewed (including all of the High-Risk cases) identifying 87 frauds and 5 errors.

National Fraud Initiative (NFI)

- 3.7** The NFI was established as a regular (biennial) data matching exercise many years ago. It is co-ordinated by the Cabinet Office and as the name suggests, is carried out on a national basis with the vast majority of the UK's local authorities taking part.
- 3.8** Data is provided by some 1,300 participating organisations from across the public and private sectors. The aim is to identify possible cases of fraud and error within public bodies by matching datasets from all organisations against each other to identify anomalies.
- 3.9** The matching covers a wide range of datasets including Council Tax, Housing Benefit, Payroll, Electoral Register, Housing waiting lists, Taxi licensing and Creditors.
- 3.10** Matches from the last exercise were received in January 2025 and this highlighted a total of 18,154 potential cases for review. Most matches are reviewed by the CFT

who investigate to determine if there is fraud or error and then take the appropriate action to resolve. Given the volumes involved this continues to be an ongoing piece of work.

3.11 Data for the next exercise will be uploaded in October/November 2026 and the results are expected in January/February 2027.

4. ALTERNATIVE OPTIONS CONSIDERED & NOT RECOMMENDED

4.1 N/A

5. COMMENTS OF OVERVIEW & SCRUTINY

5.1 N/A

6. POST-DECISION IMPLEMENTATION

6.1 N/A

7. IMPLICATIONS

7.1 Council Key Priorities and Performance

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 CFT links to all three priorities of the Council. ([key priorities](#))

• Improving 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.

• Creating 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.

• 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.

7.2 Financial Implications

7.2.1 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.

7.2.2 Most of the work of the team results in a financial outcome for the authority. These are broken down into two main categories:

Notional Savings – It is not always possible to determine an exact value from fraudulent activity so in some cases notional savings are used. These are a

forecasted figure using a standard, nationally accepted methodology so that all organisations reporting fraudulent activity are doing so in a single, fiscally prudent way.

Identified Repayable Losses – This is used where an accurate figure has been attributed to the amount of money lost to the council as a result of fraudulent activity. The perpetrator is required to pay this back to the council and so this is an amount that will, or already has been, repaid.

7.2.3 The headline financial outcomes arising from the work undertaken by the CFT in 2025/26 are as follows:

Fraud Type	Cases Proven	Value (£)	Average Value Per Case (£)
Single Person Discount	29	33,899	1,169
CFI Project	76	137,242	1,806
Council Tax Support	24	47,286	1,970
Tenancy Fraud	8	336,000	42,000
Housing Application	5	21,415	4,283
Homes for Ukraine	1	10,000	10,000
Total Value		585,842	

Overview of Fraud Types

7.2.4 Single Person Discount - SPD is a scheme that allows single adult householders to claim a discount of 25% off their Council Tax bill.

We have identified £33,899 of over-claimed SPD where 29 residents have failed to declare to the council that they are no longer the lone adult occupier. In these cases, Council Tax liability has been correctly re-established, overpayments repaid (or are being repaid) and future income secured.

7.2.5 Council Tax Support – This is a type of benefit that gives a reduction to the amount of Council Tax payable based upon the personal circumstances of the applicant. This is means tested and the amount of the reduction varies between recipients, although in many cases it is a 100% reduction. The cost of this scheme is directly attributable to council funds.

Investigations have identified £47,286 of fraudulently underpaid council tax which has now been correctly recharged to the council taxpayers.

7.2.6 Tenancy Fraud – Defined as:

- Subletting a property for profit to people not allowed to live there under the conditions of the tenancy
- Wrongful tenancy assignment and succession where the property is no longer occupied by the original tenant
- Failing to use a property as a principal home, abandoning the property or selling the key to a third party

The CFT have been responsible for securing 8 tenancy terminations on behalf of partner housing associations. The metric used for measurement is a notional

value of £42,000 per property which is the nationally agreed amount using a standard formula to arrive at a national average cost to the taxpayer and is used by the majority of local authorities. It is based on a number of factors including the duration for which fraudulent activity may have continued undetected, the legal costs of recovering a property and the average annual cost of temporary accommodation.

HDC has a significant number of people on the housing waiting list some of whom are being housed temporary accommodation. Housing Benefit payments do not cover the full cost of this outlay and so the excess amount has to be met directly by the council. These costs can be reduced by dealing robustly with tenants (and potential tenants) who make false representations or who fail to declare their true circumstances.

Tackling tenancy fraud is vital because it helps ensure that scarce social housing is available for those who genuinely need it. When a property is subject to fraudulent activity, it deprives local families, vulnerable individuals, and people facing housing hardship from accessing safe and secure accommodation. Addressing tenancy fraud promotes fairness, protects the integrity of the housing system, and helps maintain public confidence that social housing is allocated according to need. It also supports stronger, more stable communities by ensuring homes are occupied by the residents for whom they were intended.

7.2.7 Housing Application – Where someone falsely presents themselves as homeless or provides false information in a housing application in order to gain access to social housing or temporary accommodation.

As a result of investigations, we were able to prevent 5 fraudulent applications that would otherwise have been accepted. The Cabinet Office tells us to attach a notional saving of £4,283 per case. This takes into account the annual cost of temporary accommodation, the likelihood a property would have been provided and the duration for which the fraudulent activity may have continued undetected.

One case we investigated in 2025/26 was serious enough for prosecution and has a first hearing date of 29th July 2026.

7.2.8 Homes For Ukraine - A government scheme created to offer support and accommodation to Ukrainian refugees fleeing the war from 2022 onwards. The scheme is administered by local authorities with sponsors being initially paid £350 in monthly payments to assist with expenses in housing and supporting the refugees.

A case we investigated in 2024/25 was successfully prosecuted in 2025/26 leading to a repayment of £10,000 being made to HDC including costs of £1,100. Please note that this case was reported as part of the 2024/25 report to this committee as the investigation work was done in that financial year.

We investigated two further cases in 2025/26, both of which meet the criteria for prosecution and both have first hearing dates of 29th July 2026.

Cost v Benefits

7.2.9 The total cost of the CFT in terms of salaries including on-costs for 2025/26 was £163,124 compared to £585,842 in financial outcomes explained above in para 7.2.2 and shown in the table at para 7.2.3.

7.3 Other Implications

7.3.1 Three cases investigated in 2025/26 met the criteria for prosecution but due to delays in the courts all three have been allocated a first hearing date of 29th July 2026. The outcomes will be recorded in the 2026/27 report. It is worth noting that for any investigation to be considered suitable for prosecution, it must be in line with the guidance laid down in the Prosecution Policy which includes strength of evidence, the circumstances of the case and the public interest test. In many cases, the most appropriate action is simply to stop the fraud and recover any losses although there are other sanctions available too including penalties and formal cautions.

7.3.2 A further case worthy of mention outside of the financial outcomes demonstrates the value of the team over and above the investigation of fraud. An anonymous referral alleged that a tenant wasn't living in their social-housing property. Investigations found the adult son there. At formal interview, the tenant disclosed that they were a victim of domestic abuse from the son. The investigator conducted further assessments and alerted partner agencies. This led to a non-molestation order and a notice to evict the son. The tenant was re-housed in a safe environment to live her life without fear of violence from the son.

7.3.3 An outcome that isn't measurable is that of deterrence but there is no doubt that employees, contractors and residents are less likely to commit fraud if they know allegations will be investigated professionally and thoroughly.

7.4 Legal & Constitutional Implications

7.4.1 N/A

7.5 Community Impact

7.5.1 The investigation of fraud by the CFT helps protect public funds by detecting and preventing fraudulent activity against the council. This ensures that money intended for essential services is used for the benefit of residents. Effective fraud investigations also promote fairness, deter future wrongdoing, and strengthen public confidence in the council's ability to manage resources.

7.6 Environment & Climate Change Implications

7.6.1 N/A

7.7 Equality & Diversity Implications

7.7.1 N/A

7.8 Implications on Resources

7.8.1 N/A

7.9 Health & Wellbeing Implications

7.9.1 N/A

7.10 Local Government Reorganisation (LGR) Implications

7.10.1 N/A

8. RISK MANAGEMENT

8.1 An effective and robust counter-fraud function is essential to managing the evolving risk of fraud across the organisation. By preventing fraudulent activity and pursuing investigations where concerns arise, it helps protect assets, minimise losses and maintain public confidence.

9. BACKGROUND PAPERS– LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Document List	Custodian	File Location
Annual Fraud Indicator 2023	Crowe, Peters & Peters, University of Portsmouth	Annual Fraud Indicator Report 2023.pdf