
Annual Report on the 2022/2023 National Fraud Initiative

Governance and Audit Committee

Date of meeting: 10th July 2024

Lead director: Amy Oliver

Director of Finance

Useful information

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager)
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- Report version number: Version 1

1. Summary

- 1.1 The purpose of this report is to provide an update to the Governance and Audit Committee on the National Fraud Initiative (NFI) exercises currently underway.

2. Recommended actions/decision

- 2.1 The Governance and Audit Committee is asked to note the contents of the report and make any comments it deems appropriate.

3. Background

- 3.1 There are two separate NFI exercises in which the Authority participates. One involves data matching with external organisations, including other councils and the second involves matching data held within the Council.
- 3.2 Data for the 2022/23 external NFI exercise was submitted to the Cabinet Office in October 2022 and data was available for checking from 29th January 2023.

4. Detailed report

- 4.1 The Council has participated in the National Fraud Initiative since it was introduced. The exercise has evolved over the years and is now web based and managed by the Cabinet Office. The project involves electronically matching data from numerous sources in order to identify possible fraud or irregularity. This exercise is undertaken every two years.
- 4.2 The Cabinet Office identifies matches and allocates a risk score from 100% on a decreasing order. Officers are expected to examine the high risk matches first on a descending basis. There is no requirement to examine all the remaining matches and officers are encouraged to select a sample where there are large volumes of data for checking.

4.3 Examples of the different matches include:

- Housing Benefit Claimants who are tenants at a different address.
- Housing Benefit claimants who are not entitled to claim because they are in receipt of Student Loans.
- Blue Badge Parking Permits, Concessionary Travel Passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDRI) or Department for Work and Pensions (DWP) list of deceased persons.
- Duplicate creditors or duplicate payments to creditors.
- Housing Benefit claimants who also appear on a local authority payroll.
- Council Tax Reduction Scheme to payroll.

4.4 All benefit fraud is investigated by the DWP, however the Cabinet Office still require the authority to undertake an initial check of the Housing Benefit claims before passing the matches to the DWP to investigate.

4.5 Work on the 2022/23 matches is well underway. Nearly 6,000 matches have been checked to date, with no frauds identified. There have been 23 instances of duplicate payments to suppliers totaling £189,000 which have already been recovered in full and previously reported to the Committee last year. The remaining error relates to an undeclared private pension as part of a Council Tax Reduction claim. This has recently been referred to the investigation team to look into further. The progress is summarised in the table:

Matches undertaken by 13th June 2024

Total Matches	Matches Checked	Errors Identified	Frauds Identified	Overpayments Identified
11,920	5,939	3	Nil	£206,784

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

There are no direct financial implications arising from this report. However, the initiatives described in this report are intended to detect fraud (which is an offence of a financial nature) and error, which cause significant financial loss to the Council.

Colin Sharpe
Head of Finance

5.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia
City Barrister & Head of Standards

5.3 Equalities implications

The report provides an update on the National Fraud Initiative (NFI) exercises currently underway. The NFI, conducted by the Cabinet Office, involves data matching to help in the prevention and detection of fraud.

There are no direct equality implications arising from the report.

The data matching can identify inconsistencies that require further investigation and allows potentially fraudulent claims and payments to be identified. No assumption can be made as to whether there is fraud, error or another explanation until the investigation process is completed.

Surinder Singh, Equalities Officer

5.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

Duncan Bell
Climate Change Manager

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	Whole report
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk Management	Yes	This report is concerned with the prevention, detection and sanctioning of fraud. Fraud is one of the risks faced by the Council

6. Background information and other papers:

None – Information on the National Fraud Initiative is available at <https://www.gov.uk/government/collections/national-fraud-initiative>

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a “key decision”?

No