
Counter Fraud Annual Report 2024/2025

Governance and Audit Committee

Date of meeting: 14th July 2025

Lead director: Amy Oliver, Director of Finance

Useful information

- Ward(s) affected: All Wards
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- Report version number: Version 1

1. Summary

- 1.1 The purpose of this report is to inform the Committee of the work carried out by the Corporate Investigations Team during 2024/25.

2. Recommendations

The Governance and Audit Committee is recommended to:

- a) Receive and comment on the report.
- b) Make any recommendations it sees fit to the Executive and/or the Director of Finance.

3. Background

- 3.1 This report provides statistical information on fraud cases identified, referred and, where appropriate, investigated by the Corporate Investigations Team.
- 3.2 As part of its work, the Corporate Investigations Team investigates suspected financial irregularities and makes recommendations to reduce the risk of fraud, error and losses in an effort to improve performance, efficiency, effectiveness and economy in the use of resources by the Council.

4. Detailed report

- 4.1 The work of the Corporate Investigations Team includes undertaking proactive data matching, reactive referrals received relating to suspected financial irregularities and working with service areas to review their current procedures to reduce the risk of fraud.
- 4.2 The team continue to complete background checks on all Right to Buy applications for council homes to ensure that the purchases are valid. This includes checks to ensure the tenant is still resident and that the source of the funding to purchase the property is legitimate and evidenced. Where irregularities or concerns are raised, the issues are addressed with Legal Services and the Right to Buy Team. This not only identifies irregularities that may prevent a sale and ensure compliance with Anti-Money Laundering regulations, but also provides a higher level of assurance for those sales that do proceed. There were 12 applications that were refused in 2024/25 and the assessed savings in

loss of rents had invalid sales proceeded was £552,480.

- 4.3 The Team undertakes an annual review of empty residential properties to ensure that the council tax discounts awarded are correct. Where a property is identified as being occupied the account is corrected and recovery of the council tax owing is then pursued. Together with related checks such as single person discount, in-year savings in 2024/25 of £251,750 were identified.
- 4.4 The Team works in close partnership with the school admissions section to validate the details submitted in the applications for school places. The validation checks that the data submitted is correct and that the school places allocated are valid. This is to ensure that those children who are allocated a school place are based on their correct address. The exercise identified 25 applications where the parents had provided an incorrect address in an attempt to fall into the preferred school's catchment area.
- 4.5 The Team also works to ensure that tenancies of council houses remain in the possession of the named tenant and are neither sublet nor left empty. As part of this work, the Team identified 4 properties where the tenant had parted with possession and subsequently the tenancy was ended and brought back into proper occupation by those in genuine need of council accommodation. The assessed savings in 2024/25 was £169,760.
- 4.6 The combined loss avoidance and income generated from savings in 2024/25, including the above, was assessed as £1.7m.
- 4.7 The team lead the East Midlands Fraud Group which meet regularly to share best practice and emerging fraud risks. This group is made up of local housing associations and councils from across the east midlands.
- 4.8 As part of the annual International Fraud Awareness week in November the fraud awareness e-learning module was promoted on the log in screen of council devices in an effort to increase completion of the training. This along with various articles included within internal staff publications such as FACE was part of a concerted effort to highlight the work of the team and contact details. This resulted in an increase in the numbers of staff completing the training and work continues to improve this across the authority.
- 4.9 The National Fraud Initiative (NFI) matches were released to the Council in January 2025 and formed part of the Team's work programme in 2024/25. The data matches have been shared with departments who will work through them to identify any potential irregularities. Any suspected frauds will be referred to the Team for investigation. Progress on the matches will be reported in due course.
- 4.10 The Council continues to benefit from membership of the National Anti-Fraud Network (NAFN), which alerts member authorities to the latest phishing emails and frauds. These alerts are shared across the Council to ensure awareness is raised and efforts to prevent attempted fraud are enhanced. They are an excellent fraud prevention tool as they help to ensure new emerging risks nationally are highlighted.
- 4.11 The Corporate Investigation Manager considers management requests for access to the records of employees' emails, internet access, computers and the building access system (which gives staff access to Council buildings). Supported requests are then

presented to the Director of Finance for authorisation.

4.12 A comprehensive breakdown of the savings for 2024/25 is detailed in the table below.

Case Category (Financial Savings)	Number of cases	Total amount
Concessionary Travel	1	£500.00
Council Tax Exemption	1	£1716.88
Council Tax Liability	1	£1,699.85
Council Tax Relief (CTDR)	2	£50.00
Council Tax SPD	25	£17,764.55
Council Tax Support	26	£65,001.94
Council Tax Support - Penalty	2	£1,008.31
New Homes Bonus	53	£251,750.00
Housing Benefit Overpayment	9	£67,531.80
Case Category (Notional Savings)	Number of cases	Total amount
Housing Application Cancellation	3	£93,075.00
Possession of LCC property	4	£169,760.00
Right To Buy application	12	£552,480.00
School Place - Secondary	25	£489,700.00
Totals	163	£1,712,038.33

5. Financial, legal and other implications

5.1 Financial implications

Fraud can cause the Council significant loss; hence activity to prevent and detect fraud is a clear financial investment and a key component of good financial control and governance.

Stuart McAvoy, 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 annual update to the Governance and Audit committee on the work carried out by the Corporate Investigations Team.

There are no significant equality and diversity implications arising from the report.

Surinder Singh, Equalities Officer

5.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

Phil Ball, Sustainability Officer

5.5 Other implications

None

6. **Background information and other papers:**

- Local Government Act 1972
- Leicester City Council's Anti-Fraud, Bribery and Corruption Policy
- Leicester City Council's Finance Procedure Rules
- Leicester City Council's Constitution
- Leicester City Council's Code of Conduct for Behaviour at Work
- Leicester City Council's Information Security Policy Statement
- Leicester City Council's Prosecutions Policy
- Leicester City Council's Investigators Code of Conduct
- Public Bodies Corrupt Practices Act 1889
- Chartered Institute of Public Finance & Accountancy (CIPFA) publication *Managing The Risk of Fraud*
- The Prevention of Social Housing Fraud Act 2013

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