


Counter Fraud Progress Report 2025/26

Date: 16 March 2026

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Background

- 1 Fraud is a significant risk to the public sector. Fraud is also the most common offence in the UK, accounting for approximately 41% of all crime¹. The National Audit Office estimates that fraud and error cost the taxpayer between £55 and £81 billion in 2023/24 and that only a fraction of this is detected². Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. This work includes planning and taking part in counter fraud campaigns (eg the National Fraud Initiative), delivering fraud awareness activities with staff and the public, and maintaining the Council's counter fraud framework and associated policies. To deter fraud, offenders face a range of outcomes, including prosecution in the most serious cases.
- 3 This report provides the Committee with an update on counter fraud activity in 2025/26.



COUNTER FRAUD MANAGEMENT

- 4 On International Anti-Corruption Day in December a new offence, Failure to Prevent Fraud, was highlighted to employees. Introduced as part of the Economic Crime and Transparency Act 2023, large organisations can be found to be corporately guilty of the offence if an employee, contractor, or supplier delivering a service commits a fraud offence that benefits the organisation. Raising awareness of Failure to Prevent Fraud and the threat of fraud within the council is a recommendation of the government guidance for the new legislation.
- 5 In January, bespoke training was provided to officers working in procurement. The session highlighted how fraud can manifest in the procurement cycle, and the warning signs to be aware of. The counter fraud team also attended the Adult Social Care Benefits, Charging and Assessment Officers in person training day. The training included guidance on checking that documents are valid, and on identifying potential forgeries.
- 6 Veritau shares alerts on fraud threats identified by partners in the counter fraud community, including the National Anti Fraud Network (NAFN). When Veritau identifies threats that could affect other local authorities then a threat report is made so all NAFN members are aware. Recent alerts from NAFN have included details of a worker found to be working for multiple councils, someone contacting councils and pretending to be from the ICO, and fraudsters pretending to make a generous bequest, ie a grand piano, to a school in order to trick them into making payments for its delivery.

¹ [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

² [An overview of the impact of fraud and error on public funds](#), National Audit Office



MULTI-AGENCY WORK

- 7 The Council takes part in regular National Fraud Initiative (NFI) data matching exercises. In January, council tax and electoral roll data was submitted for the annual match to review entitlement to Single Person Discount (25% reduction in liability). Outputs from this match will be reviewed by the revenues service alongside regular checks of entitlement to the discount. Suspicions of fraud will be reviewed by Veritau.
- 8 The results of the 2024/25 main NFI exercise (23,500 matches) are still in the process of being reviewed by the counter fraud team and other services across the council.
- 9 Veritau has regular contact with the regional Department for Work (DWP) investigation teams. This includes conducting joint investigations where state benefits and Council Tax Support are in effect. There are several joint working investigations ongoing.



INVESTIGATIVE WORK

- 10 The counter fraud team receives reports of potential fraud from council officers, external agencies, data matching, and members of the public. Between 1 April and 16 February 2026, the counter fraud team logged 470 referrals of suspected fraud.
- 11 Investigative work has helped the Council to achieve £327k in savings. Counter fraud savings³ are tracked by monitoring the actual repayments to the Council following fraud investigations and calculating the value of stopping ongoing fraud.
- 12 Seventy-two investigations have been completed and there are currently 79 cases ongoing. Eleven people received warnings in addition to fraud losses being identified in a further four cases.
- 13 A summary of investigative work can be found in appendix A, below.

³ Counter fraud savings consist of money recovered during the course of the year (debts may have been calculated in previous years as well as the current financial year), the value of applications that would have been successful, eg Right to Buy, and 12 months of savings where an ongoing fraud has been stopped through the work of the counter fraud team.

APPENDIX A: SUMMARY OF INVESTIGATIVE WORK 2025/26

The table below shows the success rate of investigations and levels of savings achieved through counter fraud work in 2025/26.

	2025/26 actual (to 16/02/2026)	2025/26 target (full year)
Amount of actual savings (quantifiable savings - eg repayment of loss) identified through fraud investigation	£327,127	£225,000
% of investigations completed which result in a successful outcome (for example payments stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked)	51%	30%

Caseload figures for the period are:

	2025/26 (at 16/02/2026)
Referrals received	470
Number of cases under investigation	79
Number of investigations completed	72
Number of verifications completed ⁴	5

⁴ Verification cases are reviews of applications for school placements.

Activity	Work completed or in progress
Fraud detection and investigation	<p>The service promotes the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the Council. Activity to date includes the following:</p> <ul style="list-style-type: none"> • Adult Social Care fraud – Fraud in this area relates to deprivation of capital, financial abuse, direct payment fraud, and abuse of position (eg by a power of attorney). Work in this area has helped the Council achieve £192k in savings. Seven cases have been completed, and 17 are ongoing. • Council Tax and NNDR fraud – Council Tax and NNDR fraud often involves false applications for discounts and exemptions from liabilities. The team has 10 ongoing cases and has completed a further 11 cases. Warnings were issued to two people and money for recovery was identified in a further two cases. £74.5k in savings has been achieved as a result of investigative work. • Council Tax Reduction fraud – fraud can occur where someone claiming a reduction provides false information when they apply, or fails to declare a change to their circumstances relating to income, capital, or household occupation. Sixteen cases have been completed by the team. Eight people were issued with warning for incorrectly obtaining or receiving a reduction in their council tax liability. The team has 30 ongoing cases, including joint investigations with the DWP. • External (or third party) fraud – fraud in this area can relate to financial crime or error perpetrated against the Council, eg mandate fraud, cybercrime, or supplier over charging. Four investigations are ongoing in this area, and three matters have been concluded. • Housing fraud – cases investigated by the team relate to sub-letting and abandonment of council properties, and investigations into false applications to the Housing Register, Right to Buy, homelessness and mutual exchanges. Eight investigations have been completed into suspected subletting and applications for housing. In one case, a council property that had been abandoned by the intended tenant was recovered. • Internal investigations – cases in this area include matters raised under the Council’s whistleblowing policy. In total 25 investigations have been completed and two employees have left the organisation. Eight matters are ongoing.

Activity	Work completed or in progress
	<ul style="list-style-type: none"><li data-bbox="483 311 2033 448">• Local assistance fund – this funding provides support for household goods and necessities to those in need. This area also includes Household Support Fund applications. The counter fraud team investigates the submission of fraudulent applications and misuse of the scheme. Seven investigations are ongoing, and two investigations have been completed.<li data-bbox="483 475 2033 612">• School admissions – the counter fraud team support Council officers to verify applications for school places where there is a discrepancy in home address records that affect school catchment areas. Two placements were stopped as a result of our findings, and three applications were upheld. One further investigation is ongoing.