



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 27 MARCH 2025
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT
Wards affected	All indirectly
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>Work streams are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.</p> <p>The report also provides the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.</p>
Annexes	None.
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none">I. Note and comment on the report.
Corporate priorities	<ul style="list-style-type: none">● Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO

<p>Consultees/ Consultation</p>	<p>Work plans are agreed and reviewed regularly with the Director of Finance.</p> <p>Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.</p>
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1. BACKGROUND

- 1.1** In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.2** The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.
- 1.3** Work plans are agreed with the Director of Finance and the Council's Senior Leadership Team. As the body charged with governance in this area, the Audit and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity
- 1.4** The work plan for 2024/25 included a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas. A Grant Management Policy and supporting toolkit detailing fraud risk areas, mitigation and suggestions relating to verification activities has been drafted for consideration by Governance Group and the Senior Leadership Team. The work stream regarding polygamous working has commenced initially with Human Resources. A further update will be shared in the next report to Audit and Governance Committee.
- 1.5** The work plan for 2025/26 is being drafted and includes a focus on procurement following the introduction of the new legislation. A work stream will be developed with South West Audit Partnership ('SWAP') the Council's internal auditors to provide assurance in this area. In addition, the team will be developing a more relatable and streamlined approach to fraud risk and whistle-blowing training to ensure awareness is raised with all employees across the organisation.

2. MAIN POINTS

- 2.1 Counter Fraud and Enforcement Unit (CFEU) Update**
- 2.2** The CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud.
- 2.3** The CFEU Head of Service has also joined the Thames Valley MAAF Group, representing West Oxfordshire District Council however the focus for this group is work delivered by Trading Standards such as 'doorstep traders' rather than a wider remit which includes the areas covered by the CFEU.
- 2.4** The Gloucestershire MAAF webpage is now in development. A campaign to launch this will be publicised soon with West Oxfordshire District Council employees and residents being included in this through the CFEU Partnership.

- 2.5 In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). A further extension to the deadline for debt liability transfer from 31 December 2024 to 30 June 2025 has been granted.
- 2.6 The Council paid £50,465,394 to businesses during the pandemic. The CFEU identified £545,183 which was paid due to fraud and error. Invoices were raised accordingly and to date £272,047 has been recovered and returned to central government. Where debt has not been repaid, the CFEU are transferring liability to DBT for recovery.
- 2.7 The CFEU continue to assist the Economic Development Team with the verification of grant applications. 14 applications for the Carbon Action Fund were reviewed, resulting in the award of 13 grants. This was in addition to the work to assist with the Small Business Grants awarded earlier in the year.
- 2.8 All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- As previously reported, earlier in the financial year, matches relating to the 2022/23 data sets resulted in increased Council Tax revenue of £24,038 and 21 Civil Penalties, totalling £1,470 being applied. Recommendations relating to housing waiting list anomalies resulted in the removal of 54 applications representing £231,282 in loss avoidance.
 - In relation to the 2023/24 data sets, the CFEU received 1,075 Council Tax related matches. The 2024/25 matches, 1,121 of which relate to Council Tax discrepancies, were received this month. The CFEU have therefore reviewed both data sets together – all matches have been triaged and 113 enquires have been made with residents.
 - A further 210 matches have been received as part of the 2024/25 cycle – these relate to Housing Benefit, Council Tax Reduction Scheme, Housing and Payroll discrepancies. These will be reviewed in due course.
- 2.9 Criminal Enforcement, Regulation of Investigatory Powers Act and Investigatory Powers Act refresher training was delivered to the wider enforcement employees in December 2024. A more focussed session has been booked with the Planning Team in April 2025.
- 2.10 A data matching exercise has been completed across the partnership in relation to awards of small business rates relief. 5 premises were flagged for further investigation and subsequently 3 accounts were updated resulting in additional business rates totalling £4,984.
- 2.11 A review of the Housing Waiting List is underway. This includes verification of applications within Emergency Band (31 applications), Gold Band (127 applications) and Silver Band (365 applications). The review of the Emergency List has been completed, 10 recommendations have been issued to the Housing Team, results are pending. The Gold List is under review.

- 2.12** Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.
- 2.13** There are approximately 2,075 active household applications on the register for West Oxfordshire at this time. The CFEU undertakes reviews of the Emergency, Gold and Silver Band Lists for the Partnership to maximise savings in this area and ensuring priority applicants are dealt with expediently
- 2.14** The CFEU Officer receives the list of applications within the individual bands, the review of the Emergency and Gold Banded applications is undertaken as a priority. The task of the reviewing officer is to establish the veracity of the reason for the application, for example overcrowding, homelessness, significant medical need or downsizing. Checks relating to occupancy and residential status / history are made and any discrepancies are forwarded to the Housing Team for review.
- 2.15 Results 2024/25 (to 6 March 2025):**
- 2.16** In addition to the work carried out under the annual work plan, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into employee/member fraud and corruption, or tenancy and housing fraud investigation work. Since 1 April 2024 the team have received 109 referrals; 60 referrals were declined, and 22 matters were referred to the Department for Work and Pensions. The remaining referrals are being dealt with by the CFEU.
- 2.17** The CFEU supports Enforcement Teams across the Council. The team have opened 24 cases and closed 26 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.
- Work undertaken with the Revenues Team resulted in the removal of 6 incorrect Council Tax discounts/exemptions and 1 property being brought into ratings. Increased Council Tax revenue totalling £6,199 and 3 Civil Penalties totalling £210 being applied.
 - Work undertaken with the Environmental Regulatory Services Team in relation to environmental crime resulted in a Fixed Penalty Notice being issued totalling £200 and a warning being issued to a member of the public in relation to animal welfare.
 - An individual was successfully prosecuted in relation to animal welfare offences. Following a guilty plea, the individual was sentenced to a 12-month Community Order, rehabilitation and was disqualified from keeping animals, they were ordered to pay £500 costs.
- 2.18** The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for the

Department for Work and Pensions (DWP) Housing Benefit investigations. In the same period 4 cases were opened, and 7 cases were closed.

- Increased Council Tax revenue of £13,501 has been raised.
- 1 Civil Penalty totalling £70 has been issued and 1 Criminal Penalty totalling £1,000 was accepted.
- A Councillor was prosecuted. The individual pleaded guilty and received a Fine for £1,119 and was ordered to pay costs of £1,000.

2.19 Following the approval of the updated Council Tax, Council Tax Reduction Scheme and Housing Benefit Penalty and Prosecution Policy, a refresher session was held with the Revenues and Benefits team to confirm processes and what matters should be referred to the CFEU. In addition, work has now commenced to review all Council Tax Reduction Scheme (Council Tax Support) claims administered by the Council.

2.20 Between 1 April 2024 and 6 March 2025, the team received 2 grievance referrals from HR and 4 referrals relating to disciplinary matters. 6 cases have been closed; results are as follows:

- 2 cases relating to falsifying of timesheets / not working contracted hours – 1 individual resigned during the investigation, the other matter could not be progressed, but the individual is no longer undertaking work for the Council.
- 1 case relating to falsifying of timesheets/not working contracted hours – the individual received a written warning for misconduct.
- 1 case relating to unreturned equipment – this was recovered.
- 2 grievance reports were issued to HR for consideration.

2.21 The team undertook an investigation relating to an employee undertaking full time employment for multiple Councils. The individual was dismissed last year however the individual is also the subject of a prosecution for fraud. The case is listed for trial at Gloucester Crown Court later this year.

2.22 Regulation of Investigatory Powers Act 2000 (RIPA) / Investigatory Powers Act 2016 (IPA)

2.23 The Council's policies are based on the legislative requirements of these Acts and supporting guidance relating to directed surveillance and the acquisition of communications data.

2.24 The Policies were reviewed and presented to the Audit and Governance (General Purposes) Committee in November 2019; these were adopted by Cabinet in December 2019. The Use of the Internet and Social Media in Investigations and Enforcement Policy, presented to Audit and Governance (General Purposes) Committee in September 2021 and adopted by Cabinet in November 2021.

2.25 The Policies were reviewed in July 2023 by the Investigatory Powers Commissioner's Office (IPCO). The Policies were fully endorsed with a request to remove any reference to the OSC Procedures and Guidance document as it has been removed from circulation. This has been done. It is not therefore proposed that the Policies will be presented to Members for

approval following the review, but copies can be found on the Council's website. There have been no subsequent amendments to date.

- 2.26 The Council must have a Senior Responsible Officer and Authorising Officers to approve any applications for surveillance or the use of a Covert Human Intelligence Source, before the Court is approached. The Senior Responsible Officer is the Chief Executive, and the Authorising Officers are the Director of Finance, and the Interim Head of Legal Services. From 1 April 2025, the Director of Governance and Regulatory Services and the newly appointed Head of Legal will be appointed as Authorising Officers in place of the Interim Head of Legal Services.
- 2.27 All applications for communications data are made online via the National Anti-Fraud Network (NAFN) which acts as the single point of contact for Councils. There is a requirement for the Council to nominate a Designated Senior Officer who will confirm to NAFN that the Council is aware of any request and approves its submission. This role is undertaken by the Head of Service, CFEU.
- 2.28 The Council was inspected by IPCO, regarding its compliance with the legislation in July 2023. The next inspection is due in 2026.
- 2.29 There have been no RIPA applications made by the Council during 2024/25 and no applications were made for communications data. There have been 3 Non-RIPA applications made during 2024/25 concerning overt activity.
- 2.30 The Council takes responsibility for ensuring its procedures relating to surveillance and the acquisition of communications data are continuously improved and all activity is recorded.

3. ALTERNATIVE OPTIONS

- 3.1 The CFEU is working with all Gloucestershire Local Authorities, West Oxfordshire District Council, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.
- 3.2 The Service is a shared one across the partnership and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

4. FINANCIAL IMPLICATIONS

- 4.1 The report details financial savings for West Oxfordshire District Council generated by the CFEU.

5. LEGAL IMPLICATIONS

- 5.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

The Authority is also required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for

directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

6. RISK ASSESSMENT

- 6.1** The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 6.2** Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.
- 6.3** If the Council does not have effective counter fraud and anti-corruption controls, it risks both assets and reputation.
- 6.4** The RIPA and IPA Policies demonstrate the Council's consideration of necessity, proportionality and public interest when deciding on surveillance activity or the decision to obtain personal communication data. The application of the Policies and Procedures, to govern surveillance and the obtaining of personal communications data, minimises the risk that an individual's human rights will be breached. Furthermore, it protects the Council from allegations of the same.

7. EQUALITIES IMPACT

- 7.1** The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.
- 7.2** The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** Not applicable.

9. BACKGROUND PAPERS

- 9.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:
 - None.
- 9.2** These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

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