

To: Audit & Governance Committee

Date: 23 July 2025

Report of: Group Finance Director

Title of Report: Investigation Team Annual Report 2024-2025

Summary and Recommendations

Purpose of report:

1. To appraise Members of the activity and performance of the Counter Fraud Team for the fiscal year 1 April 2024 to 31 March 2025

Key decision: No

Cabinet Member Councillor Ed Turner, Cabinet Member for Finance and Asset Management

Policy Framework: Corporate Plan Priority – All

Recommendation(s): That the Audit and Governance Committee resolves to:

1. **Note** the report

Information Exempt from Publication

Appendix 1 Internal Investigations	This information is exempted from publication under Schedule 12A to the Local Government Act 1972 on the grounds that it contains information which could identify individuals and includes material connected to the prevention, investigation or prosecution of crime.
Appendix 2 Data Manager Report 2023 - 2025	NA

Background

1. The remit of the Counter Fraud Team (the Team) is to tackle fraud and financial irregularity across the Council, aligned to the services' fraud risks and the priorities as identified in the Council's own Organisational Fraud Risk Assessment in 2019, as well as by the previous Audit Commission and CIPFA's Fighting Fraud and Corruption Locally Strategy (FFCL) 2020 (as updated).
2. The aims and objectives of the Team are to provide high quality professional corporate fraud investigation services to the Council to prevent and detect fraud and error within the Council and to partner organisations on a commercial basis, and to assist cross border agencies where possible. Through this activity, financial losses are prevented, additional revenue is identified for recovery, income is secured through the supply of services and redress is sought in cases of civil or criminal offending.

Performance 2024/25

3. For 2024/25, there were six Service Performance Indicators used to track performance on a monthly basis. The Team was responsible for achieving fraud prevention, detection and identification values in excess of £3.4 million in the period. Performance against these targets is shown in the table below.

Table 1 - Investigations Team Performance from 01 April 2024 to 31 March 2025			
Measure	Annual Target	Total Achieved	Comment
Number of social housing properties recovered.	8	21	21 properties identified by the Team and recovered by the Council as a result of misuse, which includes sub-letting, non-occupation and unlawful succession.
Number of applications for social housing stopped.	25	34	136% of target achieved through a balance of proactive and reactive investigation casework.
Achieve cost neutrality from identification of revenue through investigation activity	£300,000	£95,926	See Table 2 for breakdown. 32% of target achieved; see Section 5 for detail.
Prevent financial losses to the Council through investigation activity	£3,000,000	£3,323,875	111% of target achieved. See Table 2 for breakdown.

Right to Buy Applications prevented (false or irregular)	25% of applications received	9%	19 applications prevented of 205 accepted in the period. Shortfall in target due to government scheme change mid-year. See section 6 for detail.
Trading Income from commercial activity	£230,000	£210,334	91% of target achieved.

4. Table 2 below provides a breakdown of the income recovered or generated, and losses prevented by the Team.

Table 2 – Income generated and losses prevented from 01 April 2024 to 31 March 2025			
	Income	Loss	
	Generated	Avoidance	Comment
	£	£	
Council Tax Reduction Scheme	13,859	19,225	The loss avoided is based on the revised Oxford model calculation of 104 weeks future entitlement.
Housing Benefit	42,613	34,500	Although no longer tasked with investigating Housing Benefit, these values are the by-product of tenancy fraud and Council Tax Reduction Scheme investigations conducted by the Team. 104 week future entitlement model used for loss avoidance
Right to Buy		1,945,600	19 Right to Buy applications prevented of 205 received (accepted applications) following intervention / investigation. 19 x £102,400 (max discount)
Council Tax Discount / Exemption adjustments	20,977		Achieved through investigation casework.
Loss avoidance from Council-owned properties recovered (subletting / non-occupation)		504,000	The cost of keeping a family in temporary accommodation for one year calculated using the Oxford model (£24k x 21 properties)

/ unlawful succession)			
Housing Applications		816,000	34 General Register Housing Applications stopped through data matching & investigation activity preventing temporary accommodation costs or property allocation - £24,000 per instance
Housing Move-on Costs		4,550	Prevented social housing downsizing payment due to identification of fraud
Unlawful Profit Orders	8,711		2 x court ordered penalties after successful possession hearings
Court Costs	£9,766		Investigation & legal costs reimbursed by courts from prosecutions
Totals	95,926	3,323,875	3,419,801
Trading income from commercial activity	210,334	-	
Total income and fraud loss avoidance	306,260	3,323,875	3,630,135

5. There was a shortfall on the identification of revenue target in the year. This was due to several factors;

- The team were previously responsible for the rolling review of the Council Tax Single Person Discount review which generated significant income. This responsibility was transferred to the Revenues Team at the start of the financial year due to advances in technology which would make the process more efficient and cost-effective
- The team did not conduct an Empty Property Review exercise during the year which would normally generate significant subsidy award from the New Homes Bonus Scheme. This is due to the Council not meeting the required growth in housing to qualify for a payment under the scheme.

- The number of overpayments being identified as a result of Housing Benefit (HB) investigation casework is in decline. Universal Credit is gradually being applied in a broader range of cases and is therefore being investigated by the Department for Work and Pensions (DWP)
 - DWP fraud team under-resourcing results in fewer joint working cases
6. There was a shortfall against the target of the percentage of Right to Buy applications stopped. In October 2024, the government announced a significant change to the Right to Buy scheme. For Oxford, it meant a reduction in the maximum available discount from £102,400 to £16,000 for applications received on or after 21st November 2024. As a result, there was a spike in applications prior to the deadline which meant that the equivalent of 2 years' worth of applications was received in 2 weeks. This unexpected event invariably pushed down the percentage of applications stopped.
 7. The Team hosted its ninth annual fraud conference on 14th November 2024. With more than 2000 in attendance, the aim of the event was to help raise awareness of fraud trends and emerging risks to attending organisations and raise awareness of the services that the Team can offer. The Team is known to other organisations in a commercial capacity as the Oxford Investigation Service.
 8. The event has remained a free-to-attend conference for delegates with the costs not only being entirely covered through exhibitor charging and sponsorship but deriving a surplus which will be used by the Council to contribute towards overheads and to fund future counter fraud initiatives.
 9. The event attracted BBC National News coverage due to the high calibre of keynote speakers featuring in the agenda, including an ex-offender who served time in prison for committing financial fraud. Also featured was an award-winning investigative journalist who first exposed the Post Office Scandal.
 10. Based on the ongoing success of the conference, the overwhelming positive feedback received and the reputation of the event as essential-to-attend for those in the profession, as well as the forming of new business relationships with partner organisations, the Team remains committed to hosting the event annually with the next date set as 20th November 2025.
 11. In December 2024, the team, in partnership with the Legal department, successfully prosecuted a tenant for sub-letting her Council property almost straight away after moving in. Whilst the team has previously been successful in prosecuting offenders, this one was the first where the Prevention of Social Housing Fraud Act 2013 was used. The act created criminal offences in connection with the sub-letting of social housing.

12. In April and October 2024, civil possession hearings took place with an outcome of Unlawful Profit Orders being imposed by the courts in addition to outright possession of the sublet Council properties.
13. In July 2024, the team were shortlisted as Finalists in the category of Excellence in Innovation, which is part of the IRRV's prestigious Performance Awards scheme.
14. In March 2025, the Team won in the category of "Innovation in Fraud Prevention" which was part of the Public Sector Counter Fraud Awards scheme. The team was one of 5 finalists in the category and was up against fraud, risk and data science teams from the Department of Work and Pensions, the Department for Transport and Network Rail.

Internal Investigations

15. **Appendix 1** details staff / internal investigations involving the Counter-Fraud Team in the period.

Commercial Activity

16. Commercial working arrangements remain in place with services being contractually provided to multiple partner organisations in the public and private sector. Business development activity is embedded as part of the team culture and efforts to bring new partners on board continued through the year.
17. The Team is known externally as The Oxford Investigation Service and it has a brochure, dedicated website, and promotional materials to assist the objective of business development. The website can be found at www.oxfordinvestigationsservice.co.uk
18. Promotional activity carried out, in addition to the Oxford Annual Conference, includes speaking slots at relevant conferences, mailshots, meetings with prospective clients and attending conferences as exhibitors with a dedicated trade stand. These activities are aligned to a departmental Marketing Strategy.
19. The increasing number of successful projects and activities delivered for Oxford City Council has assisted in developing a range of services that can be offered to partner organisations and prospective clients. For each marketable service, pricing options are developed with the assistance of Financial Services Accountants to ensure compliance with financial regulations, ethical trading, and financial feasibility.

Partnership Working

20. The Team provided Counter-Fraud and Investigation services to multiple client organisations during the financial year, the result of which delivered an end-of-year trading income of £210,334 against a budgeted income of £230,000. In the period, the Team has provided either products and / or services to 30 organisations:
21. Partnership working with Reigate and Banstead Borough Council was prevalent throughout the financial year with multiple proactive projects, involving officers from both organisations working together on behalf of local authorities around the country.

Legal Implications

22. There are no legal implications arising directly from this report.
23. The continuing work of the Team, coupled with the Council's Avoiding Bribery, Fraud and Corruption, Whistle-Blowing and Anti-Money Laundering policies and procedures give assurance that the Council is compliant with the Bribery Act 2010, the Money Laundering Regulations 2007 and the Proceeds of Crime Act 2002. Failure to adhere to the policies would impact on the legal and reputational risk to the Council.
24. All data sharing, both internally and externally, is covered by Data Sharing Protocols and Agreements and is conducted in the interests of prevention and detection of fraud, crime and other financial irregularity, in accordance with the provisions and exemptions of the General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Data Protection (Fundamental Rights and Freedoms) (Amendment) Regulations 2023.

The Council has relied upon its powers under the Section 1 of the Local Authorities (Goods and Services) Act 1970 (the "1970 Act") to provide services to other local authorities and public bodies. The 1970 Act enables local authorities to supply goods and services (subject to certain restrictions) to other local authorities and to public bodies.

Financial Implications

25. The Team continues to prevent and detect fraud and financial irregularity, first and foremost, for the Council. Engaging in several innovative, proactive initiatives has ensured the continued delivery of a robust counter fraud service. The value of prevented fraud losses, additional revenue identified as well as income from external trading was £3,630,135 in the financial year 2024-2025.

26. Contractual agreements devised for joint working with other organisations have been reviewed and approved by Financial Services for compliance with financial regulations and economic feasibility.

Environmental Implications

27. All staff are conscious of the environmental implications of service delivery and will always seek the lowest impact route where possible. This will include journey sharing where feasible, remote working by default to reduce number of journeys taken, reducing use of paper and sourcing products and materials from sustainable origins.

Equality and Diversity Implications

28. Equality and Diversity issues are under continued consideration and due regard by team staff and management alike, as and where required under the Equalities Act Legislation including the Public Sector Equality Duty contained within section 149 of the Equality Act 2010.

Risk Implications

29. Team specific risks are managed through periodic assessments and are mitigated accordingly with appropriate response and control measures.

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