

Crawley Borough Council

Report No: FIN/311

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Report to Audit and Governance Committee

30 September 2013

Fraud Team Report

1. Key Points

- 1.1 The Housing Tenancy Fraud posts have been filled
- 1.2 Properties have already been recovered from the initial work on data matching
- 1.3 A Housing prosecution is pending
- 1.4 Twelve sanctions were imposed on benefit fraud cases; three of them prosecutions

2. Recommendations

- 2.1 **The Committee is requested to:**
 - a. **Note the report**

CHRIS CORKER
Fraud and Inspections Manager

3. Background

- 3.1 The Committee has a responsibility to oversee the Council's anti fraud and anti corruption arrangements. A major part of those arrangements are the activity of the Fraud Team in identifying, investigating and taking action against cases of fraud.
- 3.2 This report describes the activity since April 2013. It covers the period from 1 April 2013 to 31 August 2013.

4. Housing Tenancy Fraud

- 4.1 The Team begun actively investigating housing tenancy fraud some 18 months ago. On the back of the early results, a bid for Government grant was successfully made in March this year. The Council were awarded £190,000 over two years to increase their work in this area.
- 4.2 This money provided for additional posts, the purchase of IT software, the provision of credit rating data and publicity.
- 4.3 The two additional posts were filled in July via secondments and the team is up and running. The credit rating data has been provided and the Team are beginning to work through that information. The purchase of the additional software and equipment is in progress.

4.4 Results

All 8,042 Crawley Homes properties have been assessed through Callcredit's tenancy verification process to identify properties of concern. 281 properties were flagged as a concern which is 3.5% of the housing stock. This report helps to identify if our tenant is living elsewhere or there are other occupiers living at the property.

- 4.5 About 50 of the flagged cases have been looked at so far and 26 of these cases have been opened for further investigation.
- 4.6 Already four properties have been recovered in the first few weeks since the report was received. That takes the total properties recovered since April up to seven.
- 4.7 We are also working at stopping fraud entering the housing system in the first instance. We are working closely with the allocation team assisting them when they have a concern that an application for a property is fraudulent. A summons has just been issued for a prosecution relating to an applicant making a reckless application for housing under the Housing Act 1996. The committee will be updated with the outcome in due course.

5. Housing Benefit Fraud

- 5.1 From 1 April 2013 to 31 August 2013 the team received 196 referrals. They have closed 178 cases and 85 remain open at the end of August.

5.2 Results

The outcome of the 178 closed cases can be summarised as follows:

<u>Outcome of closed cases</u>	<u>This period</u>
Referral rejected	10
No evidence of fraud	93
Overpayment raised (but no sanction) or claim corrected	21
Compliance visit request	5
Passed to DWP to investigate	37
Sanction imposed	12

5.3 During the period the following sanctions have been applied:

<u>Sanction type</u>	<u>In period</u>
Caution	5
Administrative Penalty	4
Prosecution	3
Amount of associated overpayment	£33,655

5.4 The total benefit overpaid (included DWP benefits) identified during the period is £191,439.

5.5 Benefit Prosecution Outcomes

Mr Vine – a joint investigation with the DWP. Mr Vine was claiming Council Tax Benefit and Job Seekers Allowance. He failed to declare his true level of income, after claiming that his self employed work had dried up. Due to his misrepresentation he was overpaid £7,977. He pleaded guilty to all offences and received a 24 month conditional discharge.

5.6 Mrs Khan. Sussex Police carried out a road stop exercise looking at the safety of taxis. During the exercise it was discovered that Mrs Khan was working as a chaperone. This paid work had not been declared. She had been over paid nearly £3,000 in Housing and Council Tax Benefit. Mrs Khan pleaded guilty to all offences and received a 12 month conditional discharge.

5.7 Miss Brackston. Information was received suggesting that she was living with her partner, Mr W. This proved to be the case and due to her false representations, she was overpaid £4,500 in benefits. She pleaded guilty to all offences and was sentenced to a 40 hour community work order.

6. Other Areas of Activity

The team are currently reviewing other areas of possible fraud within the Council including Council Tax Support, and Council Tax discounts and exemptions.

7. Ward Members' Views

7.1. The work of the Fraud Team does not impact on any specific wards.

8 Staffing, Financial and Legal Implications/Powers

8.1 None

9. Other Implications

9.1 None

10 Links to the Sustainable Community Strategy and Corporate Plan

10.1 The proposals contained in this report relate to the following key areas of the Sustainable Community Strategy

Community Cohesion	y	Community Safety	y
Young People and Children	y	Health and Well Being	y
Older People	y	The Environment	n
The Local Economy	y	Social Inclusion	y

The following key principles are applicable:-

(i) Working together	y
(ii) Dignity, respect and opportunities for all	y
(iii) Involving people	y
(iv) Making it last	y

The report relates to the following areas in which the Council operates to enhance the town and the quality of life of local people:-

(i) Prosperity	n
(ii) Community:	y
(iii) Environment:	n
(iv) Value for Money	y

11 Reasons for the Recommendations

11.1 The Audit and Governance Committee has the responsibility to review the effectiveness of the Councils anti-fraud and anti-corruption arrangements

12 Background Papers

12.1 None

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