

Crawley Borough Council

Report to Audit & Governance Committee 24 September 2014

Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/343

1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Inspection Team in the period from 11 June 2014 to 9 September 2014. All reporting figures are from closed cases.

2. Recommendations

- 2.1 That the Committee note the report.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to oversee the Council's anti fraud and corruption arrangements. A major part of those arrangements is the activity of the Fraud Team in identifying, investigating and taking action against cases of fraud.

4. Information & Analysis

4.1 Housing Benefit Fraud

- 4.2 The investigators currently have 106 open Housing Benefit cases, 83 of these being opened this reporting period.

- 4.3 During the period the following overpayments have been discovered and calculated. All overpayments must be repaid.

<u>Overpayment</u>	<u>In period</u>	<u>2014/15</u>
Sanction overpayments	£34,139	£52,972
All overpayments	£63,749	£129,610

Sanction overpayments relate to cases where the claimant has been either prosecuted, cautioned or received a penalty.

- 4.4 During the period the following sanctions have been imposed:

<u>Sanction type</u>	<u>In period</u>	<u>2014/15</u>
Caution	0	0
Administrative Penalty	3	4
Prosecution	3	4

4.5 Benefit Prosecution Outcomes

Mr Jerbo falsely claimed £15,000 in benefits by failing to disclose he was a Full Time student in receipt of Student loan and grant support. Mr Jerbo pleaded guilty and received 150 hours of community service. This was his second conviction for benefit fraud.

Mr Hadaway falsely claimed £7,500 in benefits. He declared he was single however the investigators where able to prove he had been living with his partner for several years. Mr Hadaway initially pleaded not guilty however late in the day at Crown Court he changed his plea to guilty. He sentenced to 3 months imprisonment suspended for 12 months.

Miss Glover failed to disclose her partner and falsely claimed over £4,000. She pleaded guilty at the first opportunity and received an 18 month conditional discharge.

4.6 Housing Fraud

4.7 The investigators currently have 32 open Housing fraud cases, 29 of these being opened this reporting period.

4.8 During the reporting period the we have achieved the following:

	<u>In period</u>	<u>2014/15</u>
Properties recovered	2	5
Prevented allocation	3	5
Stopped Right to Buy		1
Notional value of savings	£90,000	£250,200

4.9 During the period the following sanctions have been imposed:

<u>Sanction type</u>	<u>In period</u>	<u>2014/15</u>
Caution	1	2
Prosecution	2	2

4.10 Both prosecutions were as a result of applicants making fraudulent applications to be housed. Had the investigation team not been involved 2 council properties would have been lost to fraudsters and not been available for people on the housing register.

4.11 Council Tax and Business Rates

Details below show the amount of new recoveries, losses stemmed / prevented and additional rates gained by the inspectors and investigators.

	Council Tax		Non Domestic Rates	
	In period	2014/15	In period	2014/15
New recoveries	£104,043	£134,536	£1442	£1442
Loss stemmed or prevented	£64,556	£114,634	£387,087	£689,720
New billable CT or Rates	£105,231	£160,230	£947,951	£1,519,472

New Recoveries – This is where we are able to go back and retrospectively bill for a past period due to evidence showing a CT discount or business exemption was incorrect. This would also be where an inspector has set up and an agreement to pay for a non paying account

Loss stemmed or prevented – This is where we stop an ongoing loss or prevent it happening in the first place.

New billable CT or Rates – Inspector are constantly looking for properties or businesses that are not on the valuation list and therefore not being billed. Legislation does not require occupiers to report new properties.

4.12 New Homes bonus

The council receives direct payment from DCLG for the number of new properties we report to the valuation office. However the value of payments is reduced by the number of properties that are registered as empty over a 6 month period. This report is sent to DCLG in October 2014.

Throughout the year the inspection team have reported 211 new properties (October 2013 to September 2014) to the valuation office contributing £152,998 towards new Council Tax income.

However as of 29 August 2014 our long term empty property list stood at 118 properties.

By running a proactive exercise in examining these properties as of 9 September 2014 the team discovered that 52 of these properties are actually occupied. The new homes bonus is a guaranteed sum paid over 6 years. In reducing the long term empty properties we will receive an additional £441,693.97 from DCLG over the next 6 years which otherwise would not have been claimed.

This figure is likely to be slightly higher as the exercise is not due to complete until 30 September 2014.

5. Implications

5.1 There are no implications from the report.

6. Background Papers

6.1 None

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