

Crawley Borough Council

Report to Audit & Governance Committee 2 December 2014

Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/352

1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Inspection Team in the period from 10 September 2014 to 13 November 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 93 open Housing Benefit cases, 23 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	£92,527	£145,500
All overpayments	£124,070	£253,681

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	2	2
Administrative Penalty	2	6
Prosecution	2	6

4.5 Benefit Prosecution Outcomes

Miss Lang made false applications to housing benefit over 4 years by declaring she was not related to her landlord. In fact the landlord was her mother and therefore Miss Lang was not eligible to claim benefit.

Miss Lang was overpaid £26,000. She pleaded guilty to benefit fraud and was sentenced to 120 days imprisonment suspended for 12 months. She was ordered to complete 200 hours of unpaid community service. Additionally Miss Lang must attend 10 sessions of rehabilitation.

4.6 Housing Fraud

4.7 The investigators currently have 19 open Housing fraud cases.

4.8 During the reporting period we have achieved the following:

	<u>In period</u>	<u>2014/15</u>
Properties recovered	3	8
Prevented allocation	5	10
Stopped Right to Buy	2	3
Notional value of savings	£296,000 (inc £152,000 RTB)	£546,000 (inc £222,200 RTB)

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	3
Prosecution	0	2

4.10 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	£55,228	£189,765	£5,447	£8,386
Loss stemmed or prevented	£42,781	£157,415	£476,418	£1,166,139
New billable CT or Rates	£48,891	£209,121	£449,912	£1,969,384

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 – Inspectors 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.

4.11 New Homes bonus - Update

In my last report I outlined the New Homes Bonus project the team were undertaking. This would yield a bonus of £411,693 for 52 properties we have discovered as occupied.

The team have now completed this project and have identified 84 properties that were previously declared as long term empty, as in use and occupied. The value of the bonus is estimated to be £711,465 which is a guaranteed sum paid by DCLG over the next 6 years.

5. Implications

6.1 There are no implications from the report.

6. Background Papers

6.1 None

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ENDS