

# Crawley Borough Council



## Report to Audit Committee 24 September 2015

### Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/369

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#### 1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Inspection Team in the period from 9 June 2015 to 1 September 2015. Also included are the 2015/16 year to date figures. All reporting figures are taken 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 committee will be aware that Housing Benefit investigation work was due to be transferred to DWP's Single Fraud Investigation Service. This work was completed during the reporting period and cases were successfully transferred on 1 August 2015.
- 4.3 During the period cases have been closed with the following overpayments having been discovered and corrected by the investigation team. All overpayments must be repaid. Of significant note we have reported more overpayments in the last 3 months than during 2014/15 due to the closure of our caseload.

<u>Overpayment</u>	<u>In period</u>	<u>2015/16</u> <u>YTD</u>
Sanction overpayments	£49,346	£87,870
All overpayments (inc above sanctions)	£357,865	£442,449

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

During August 2015 the first month of DWP investigating Housing Benefit they have only made 3 requests for Housing Benefit information and 2 of these requests Housing Benefit was not in payment.

4.4 During the period the following sanctions have been imposed:

<u>Sanction type</u>	<u>In period</u>	<u>2015/16</u> <u>YTD</u>
Caution	3	3
Administrative Penalty	2	3
Prosecution	1	5

4.5 Benefit Prosecution Outcomes

Mr Farman had been claiming Housing Benefit since 2005 on the basis he was the sole liable tenant of the property. Information was received that Mr Farman's tenancy had ended in 2007 but continued to claim Housing Benefit.

Evidence obtained proved Mr Farman was no longer the tenant and an overpayment of £44,000 Housing Benefit was calculated.

Mr Farman pleaded not guilty in Court but after a trial at Lewes Crown court was found guilty of dishonestly failing to notify changes in his circumstances which would affect his housing benefit claim.

Mr Farman was sentenced to a 6 months' imprisonment suspended for 18 months. He must also complete 120 hours unpaid work as well as paying costs.

All overpayments must be repaid regardless of whether a case is prosecuted or not.

4.6 Housing Fraud

4.7 The investigators currently have 34 open Housing fraud cases.

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

	<u>In period</u>	<u>2015/16</u>
Properties recovered	4	6
Prevented allocation	4	7
Stopped Right to Buy	0	0
Notional value of savings	£144,000	£234,000

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	0
Prosecution	0	0

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.

**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 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.

	Council Tax		Non Domestic Rates	
	In period	2015/16	In period	2015/16
New recoveries	£87,407	£125,643	£13,489	£24,300
Loss stemmed or prevented	£117,381	£165,449	£440,026	£1,029,651
New billable CT or Rates	£88,959	£166,964	£647,663	£1,062,073

#### 4.11 New Homes Bonus

The council receives a 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 2015.

Last year's exercise was a success with the inspectors identifying 84 properties (£711,465) in additional bonuses which would otherwise been lost.

The inspections team have just started this year's exercise and have already identified 47 properties worth at average Band D £410,000 paid over the next 6 years. We are hopeful to achieve similar results to last year and will report at the next meeting.

#### 4.12 Housing Fraud Amnesty

The amnesty has finished today (1 September 2015) and we are looking through the results. I will be able to give an oral update at the meeting.

## 5. **Implications**

5.1 There are no implications from the report.

## **6. Background Papers**

6.1 None

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ENDS