

Crawley Borough Council



Report to Audit Committee 9 March 2016

Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/384

1. Purpose

The report describes the activity of the Corporate Fraud & Inspection Team in the period from 10 November 2015 to 17 February 2016. All outcome 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

Active Caseload

The investigation team are currently investigating the following case types

| <u>Case Type</u> | <u>Number of Cases</u> |
|---|------------------------|
| Legacy Benefit Case (Awaiting court result) | 2 |
| Council Tax Liability Investigation | 2 |
| Council Tax Reduction Scheme | 8 |
| Enforcement Order Breach | 1 |
| Housing Applications | 6 |
| Housing Investigations (General) | 63 |
| Housing non occupation | 12 |
| Housing Right to Buy | 1 |
| NDR Liability Investigation | 3 |
| CT Single person Discount | 5 |
| Tree Preservation Order | 1 |
| Licencing | 1 |
| | |
| Total | 105 |

The above cases are all at various stages in the investigation lifecycle and will be reported on when the cases are closed.

4.1 Housing Fraud

During the reporting period the team have achieved the following:

| | <u>In period</u> | <u>2015/16</u> |
|---------------------------|------------------|----------------|
| Properties recovered | 3 | 15 |
| Prevented allocation | 9 | 20 |
| Stopped Right to Buy | 0 | 0 |
| Notional value of savings | £216,000 | £450,000 |

4.2 Prosecution Outcomes

Miss Alderson made an application to join the Housing Register stating she needed Council assistance. Following an anonymous tip-off Council investigators discovered she was the sole owner of a property in County Durham. This had never been declared to the Council. Miss Alderson pleaded guilty to a dishonesty offence under the Fraud Act 2006 and received a conditional discharge along with costs to the Council being awarded. Miss Alderson was also removed from the housing register.

Mr and Mrs Young both received 10 months suspended prison sentences at Hove Crown Court for producing forged documents to investigators during the course of their investigation in order to support a false housing application. Mr & Mrs Young provided bank statements in order to prove they had no income. However these bank statements had been forged to remove their income from Avon Cosmetics. They have both been removed from Crawley's housing register. Costs were awarded to CBC.

Ms Pita was claiming Housing Benefit declaring she was on a low income. Information was received suggesting she had not declared her true income. Evidence obtained revealed her income was nearly double of that declared and was overpaid £3776.61 in Housing Benefit. Ms Pita initially pleaded not guilty but changed her plea to guilty at the last moment before trial. Ms Pita was sentenced to 12 month conditional discharge and ordered to pay costs.

4.3 Single Person Discount (Council Tax)

As well as running data matching exercises, throughout the year the team is responding to allegations of fraudulent Single Person Discount applications. This is where an occupier is stating the house is occupied by 1 adult when this is not the case.

| | <u>In period</u> | <u>2015/16</u> |
|----------------------|------------------|----------------|
| Discounts removed | 21 | 55 |
| Loss being recovered | £8,655 | £36,438 |

4.4 DVLA Audit

The Fraud Team have been audited by the DVLA to make sure our requests for information are valid and that we store the data we obtain correctly. The DVLA inspector met with the team and reviewed our arrangements. The inspector was satisfied we complied with all the DVLA requirements and can continue to obtain DVLA data during investigation cases.

4.5 Council Tax and Business Rates

The team continue to investigate and inspect 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 | £63,348 | £205,562 | £71,733 | £96,031 |
| Loss stemmed or prevented | £122,313 | £394,497 | £1,849,032 | £3,065,379 |
| New billable CT or Rates | £347,892 | £611,407 | £2,057,338 | £3,415,182 |

5 Implications

There are no implications from the report.

6 Background Papers

6.1 None

Report author and contact officer: Chris Corker, Corporate Fraud & Inspections
Manager (telephone 01293 438598)

ENDS