

# Crawley Borough Council



## Report to Audit Committee

29 November 2016

### Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. **FIN/400**

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#### 1. Purpose

The report describes the activity of the Corporate Fraud & Inspection Team in the period 8 July 2016 to 14 November 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 fraud team are currently investigating the following case types

<u>Case Type</u>	<u>Number of Cases</u>
Council Tax Liability Investigation	1
Council Tax Reduction Scheme	10
Housing Succession	1
Housing Applications	5
Housing Investigations (General)	13
Housing non occupation	15
Housing Right to Buy	10
NDR Liability Investigation	4
CT Single person Discount	13
Total	72

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>Year to date</u>
Properties recovered	4	11
Prevented allocation	4	5
Stopped Right to Buy	1 (£77,900)	2 (£155,800)
Notional value of savings	£221,900	£443,800

#### 4.2 Single Person Discount (Council Tax Inspectors)

Council Tax Inspectors have used internal data to match and highlight Council Tax discounts which have cause for concern. This would normally be where a discount has been requested and applied to the Council Tax account but data suggests there is at least a 2<sup>nd</sup> adult registered and living at the property. The team are part way through the exercise but the figures are as follows:

272 cases were identified as a concern through an initial match. After a pre quality check this reduced to 187 cases where further verification was required. After contacting the residents 52 cases have so far had their discount removed as they were not the sole adult residing in the property. This exercise is separate to the day to day reactive work of the investigation team. We should have full result for the next meeting.

	<u>SPD Exercise 2016 (interim)</u>
Discounts removed	52
Loss being recovered	£16,512

As well as running data matching exercises, throughout the year the investigation team proactively responds to allegations of fraudulent Single Person Discount applications.

	<u>In period</u>	<u>Year to Date</u>
Discounts removed	12	18
Loss being recovered	£5,678	£7,781

In total through reactive and proactive work we have removed 70 discounts worth £24,293 so far this year.

#### 4.3 Council Tax and Business Rates

The team continue to investigate and inspect Council Tax and Business rates.

**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	Year to Date	In period	Year to date
New billable CT or Rates	£260,678	£466,430	£42,900	£113,900

#### 4.4 New Homes Bonus (2016)

Due to previous successes in this area the inspection team have once again conducted an exercise into empty properties.

Throughout the year the inspectors report new properties from developments when they become habitable to the valuation office. The council receive a direct payment from DCLG for the number of new properties we report. This bonus is paid over a 6 year period. However the value of payments is reduced by the number of properties that are registered as long term empty (A property that has been empty for over 6 months). The cut-off date this year was October 2016.

At the start of the exercise in August 2016 Council Tax records showed there were 624 (520.8 Council Tax Band D equivalent) new properties registered but there were 132 properties listed as long term empty thus reducing the eligible new claim bonus down to 388 (Band D equivalent). The inspectors scrutinised the 132 properties listed as empty and reduced this to 35 making a total of 485 properties eligible for the New Homes Bonus.

The 485 will approximately generate a bonus of £741,836 payable per year, for the next 6 years £4,451,019 in total. (although we have not received the outcome of the NHB consultation which took place a year ago so do not know how the scheme will work going forward)

Crawley Borough Council keep 80% which is £593,469 pa £3,560,815 in total.

## 5 **Implications**

There are no implications from the report.

## 6 **Background Papers**

### 6.1 None

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ENDS