

# Crawley Borough Council



## Report to Audit Committee

7 March 2017

### Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/409

#### 1. Purpose

The report describes the activity of the Corporate Fraud & Inspection Team in the period 14 November 2016 to 15 February 2017. 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>
Enforcement order breach	1
Council Tax Liability Investigation	2
Council Tax Reduction Scheme	10
Housing Succession	1
Housing Applications	6
Housing Investigations (General)	6
Housing non occupation	15
Housing Right to Buy	13
NDR Liability Investigation	3
CT Single person Discount	5
Fly tipping	1
Total	63

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	2	13
Prevented allocation (inc homeless applications)	2	8
Stopped Right to Buy (actual discount value)	8 (£563,300)	10 (£719,100)
Notional value of savings	£627,300	£1,055,100

The previous Audit Commission through their 'Protecting the public purse' studies conservatively estimated, that for each property being misused and not available to the Local Authority it cost the Authority £18,000 per year per property. Housing vulnerable families in Bed & Breakfast on a temporary basis is very expensive and can cost in excess of £100 per night. The Audit Commission figure is therefore used for recovering properties and preventing false applications.

The Right to Buy figures are the actual discounts which would have awarded has the sale of the property gone through.

#### 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 have completed the exercise, the figures are as follows:

272 cases were identified as a concern through the initial match. After a pre quality check this reduced to 187 cases where further verification was required. After contacting the residents 147 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.

	<u>SPD Exercise 2016</u>
Discounts removed	147
Loss being recovered	£46,322

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	9	27
Loss being recovered	£5,056	£12,837

In total through reactive and proactive work we have removed 174 discounts worth £59,159 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	£330,068	£796,499	£1,041,057	£1,154,957

#### 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)