

Crawley Borough Council



Report to Audit Committee 26 July 2017

Fraud Team Report

Report of the Fraud & Inspections Manager - Report no. FIN/415

1. Purpose

The report describes the activity of the Corporate Fraud & Inspection Team in the period 16 February 2017 to 10 July 2017. All outcome figures are taken from closed cases. As the reporting period extends past the end of the financial year I have also enclosed 2017/18 year end figures.

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	20
Housing Succession	1
Housing Applications	7
Housing Investigations (General)	5
Housing non occupation	21
Housing Right to Buy	3
NDR Liability Investigation	1
CT Single person Discount	4
Fly tipping	1
Other	1
Total	65

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>2016/17</u>
Properties recovered	6	14
Prevented allocation (inc homeless applications)	6	11
Properties recovered for our RSL partners	2	2
Stopped Right to Buy (actual discount value)	12 (£934,800)	10 (£952.800)
Notional value of savings	£1,186,800	£1,438,800

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 had the sale of the property gone through.

4.2 Single Person Discount (Council Tax Inspectors & Investigators)

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 2nd adult registered and living at the property. 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>2016/17 (inc SPD Exercise)</u>
Discounts removed	10	179
Loss being recovered	£2,950	£60,427

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	2016/17	In period	2016/17
New billable CT or Rates	£248,730	£810,928	£1,354,235	£2,371,282

4.4 Significant Case Results

Housing Fraud Prosecution

A private hire driver from Langley Green has been successfully prosecuted by Crawley Borough Council for fraudulently trying to obtain a Council home.

Dilshad Ahmed, 51, of Leveret Lane, Langley Green, applied to join the Council's Housing Register in April 2016 and then in September 2016 he made a homeless application, stating he could not afford to rent privately or get a mortgage.

Mr Ahmed completed income forms in relation to his self-employed taxi work, but staff in the Housing Options team were suspicious of the low figures he provided and passed their concerns to the Council's Corporate Fraud Team.

An investigation commenced. It was established that Mr Ahmed had started full-time employment around the time that he joined the Housing Register and Council fraud officers obtained evidence which showed that he had earned over £33,000 during a six month period between April and October 2016, which was substantially higher than the earnings figures he declared.

Mr Ahmed withheld his true income details from the Council who were not informed of this change in his circumstances. He was interviewed under caution by the fraud team and subsequently charged with withholding information relevant to his housing application.

He pleaded guilty at Worthing Magistrate's Court on 19 May to an offence under the Housing Act 1996 and was sentenced to a £1,200 fine and ordered to pay costs of £1,232.

He has now been removed from the Council's Housing Register.

Discounted Market Sales

A resident of Forge Wood received a 20% discount in the sale price of the property under a discount scheme intended to help 1st time buyers into affordable housing. However the investigation team became aware the owner was not living at the property and it had been let out. She had created a contractual licence to let the property for a commercial fee without the written consent from CBC.

The investigation team were able to demonstrate the breach and recovered the £55,650 in full (20% discount) from the owner.

Housing Benefit Prosecution

Miss D made a Housing Benefit application to Crawley Borough Council in July 2010 stating on the claim form that none of her children were related to her Landlord.

An investigation by the Councils fraud team established the claim was false from the outset and had she had fraudulently claimed £20,000 in Housing Benefits to which she was not entitled.

Miss D pleaded not guilty at Brighton Crown Court. She stated she had provided the council with all the documents required and that Council had falsified its records.

Miss D was found guilty on 19th June 2017 on all 3 counts of Benefit fraud. She was sentenced on 20th June 2017 by Judge Niblett to 6 month's imprisonment suspended for 12 months on each offence and additionally ordered to undertake 100 hours community work order. The council continues to recover the overpaid benefit.

Failure to comply with an Improve Notice (Formal Caution)

Miss I has received a formal caution for failing to comply with an Improvement Notice. A Broadfield property was found to be in an unsafe and hazardous condition. Improvement notices were served and whilst some of the works were carried out not all works were completed in the required time and some of the works were of an unsatisfactory quality.

Miss I admitted not all the work had been carried out as required. This property is no longer being let to the public and the property has been sold.

False Homelessness application (Formal Caution)

Miss L received a formal caution for making a false homelessness application. As part of the homelessness application the council has a duty to establish key facts such as previous addresses and reasons for leaving.

Miss L hid her previous address history failing to declare a safe address she decided herself to vacate. Once the true facts were known the Council had no duty to house Miss L and expensive nightly accommodation costs were avoided.

5 Implications

There are no implications from the report.

6 Background Papers

6.1 None

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ENDS