

Crawley Borough Council

Report to Audit Committee

28 November 2017

Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. FIN/429

1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Inspection Team in the period 11 July 2017 to 14 November 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 Corporate Fraud & Inspection 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

Case Type	Number of Cases
Council Tax Liability Investigation	2
Council Tax Reduction Scheme	18
Housing Succession	1
Housing Applications	10
Housing Investigations (General)	15
Housing non occupation	23
Housing Right to Buy	7
CT Single person Discount	5
Fly tipping	2
Total	83

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>2017/18 (YTD)</u>
Properties recovered	4	7
Prevented allocation (inc homeless applications)	7	10
Properties recovered for our RSL partners	2	4
Stopped Right to Buy (actual discount value)	3 (£233,700)	12 (£934,800)
Notional value of savings	£467,700	£1,312,800

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)

A 25% discount in Council Tax liability is given to households where only 1 adult is resident.

The investigators and inspectors throughout the year will routinely look into referrals received from the public or other means suggesting there are 2 adults resident and therefore not eligible to the discount. We will shortly be starting our 2017 data match of single person discounts. This will match various data sets highlighting cases of risk.

	<u>In period</u>	<u>2017/18 (YTD)</u>
Discounts removed	10	16
Loss being recovered	£2,824	£4,864

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	2017/18 (YTD)	In period	2017/18 (YTD)
New billable CT or Rates	£170,439	£404,739	£2,924,173	£3,524,283

4.4 Significant Case Results

Illegal Eviction

The investigation team have recently become involved in a private sector illegal eviction case. The tenant had a legal valid tenancy agreement and the landlord in this case was looking to remove the tenants during their tenancy. A landlord cannot do this unless there has been a breach of their tenancy and would need to issue proper notices seeking possession with an appropriate court order. There was no breach of tenancy in this case.

We were able to act very quickly in this case and advised the Landlord of the offences he was about to commit if he tried to evict the family. The landlord quickly retracted his intentions to evict the family.

Our actions prevented the family from becoming immediately homeless and gave them the time to seek alternative accommodation if they wished to do so.

5 Implications

5.1 There are no implications from the report.

6 Background Papers

6.1 None

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ENDS