

Crawley Borough Council

Report to Audit Committee

3 March 2021

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. FIN/524

1. Purpose

- 1.1 This report describes the activity of the Corporate Fraud & Investigation Team for the period 1 April 2020 to 16 February 2021. All outcome figures are taken from closed cases. Year to date figures are also included in the report for 2019/20.

2. Recommendation

- 2.1 That the Committee note the report.

3. Reasons for the Recommendation

- 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. Work During Covid 19

- 4.1 During the pandemic the investigation team have been reactive to new threats of fraud and assist teams which have faced a considerable increase in work such as the Benefits Team.

5. Business Grants

- 5.1 In March 2020 the government setup 3 main grants:

- Small Business Grant
- Retail, Hospitality & Leisure Grant
- Discretionary Grant

The investigation team provided pre-payment assurance on every application using the tools available to them at the time.

The team conducted 975 checks on a total value of £13,419,250.

Further assurance tool have been developed and we are now starting to work on post assurance checking by uploading all the data to the National Fraud Initiative for post data matching.

There are now 23 different schemes which the team as assisting with pre and post payment assurance

6. Information & Analysis

Grants have played a big part in the activities of the investigation team this year but this does not mean fraud has eased in other areas.

The fraud team are currently investigating the following case types

<u>Case Type</u>	<u>Number of Cases</u>
Non domestic rates	2
Council Tax Reduction Scheme	6
Housing Non occupation	10
Housing Succession	2
Fly Tipping	4
Council Tax Single person Discount	1
Enforcement	1
Housing general	9
Other	4
Total	39

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

6.1 Housing Fraud

During the reporting period the team have achieved the following:

	<u>In period</u>	<u>2020/21 (YTD)</u>
Properties recovered	10	10
Prevented allocation (inc homeless applications)	5	5
Stopped Right to Buy (actual discount value)	1 (£82,800)	1 (£82,800)
Notional value of savings	£352,800	£352,800

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.

6.2 Single Person Discount

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.

	<u>In period</u>	<u>2020/21 YTD</u>
Discounts removed	15 (£6,294)	15 (£6,294)

6.3 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	2020/21	In period	2020/21
New billable CT or Rates	£688,515	£688,515	£1,379,604	£1,379,604

7. **Prosecution Case**

Miss Mist claimed Council Tax support declaring she had capital of £1,225. She later made a Right to Buy request and it was at this point suspicions were raised regarding her true assets.

The investigation team established Miss Mist held £35,000 in bank accounts. Had the true facts been known at the time she would not have been entitled to any assistance to pay her Council Tax bill.

Miss Mist pleaded guilty to fraud offences at Crawley Magistrate Courts. She was fined £500, and ordered to pay prosecutors costs in full. We have recovered all monies lost as a result of her fraud.

Miss Bunting was observed littering and was stopped by a Community Warden. Miss Bunting's particulars were taken and a Fixed Penalty Notice was issued. The notice was returned as 'not living at the address'.

The investigation team were able to verify the address given to the Warden by Bunting was false and were also able to track her down at her real address.

Miss Bunting pleaded guilty to giving false details under the Environmental Protection Act. She was ordered to pay costs of £100 and received a conditional discharge.

8 Implications

There are no implications from the report.

9 Background Papers

9.1 None

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