

Crawley Borough Council

Report to Audit Committee

14 December 2021

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. FIN/546

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 7 July 2021 to 30 November 2021. All outcome figures are taken from closed cases. Year to date figures are also included in the report for 2021/22.

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 assisting teams which have faced a considerable increase in work such as the Benefits Team.

5. Information & Analysis

- 5.1. Business and Self Isolation 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 open cases</u>	<u>Number of open cases in the last report</u>
Council Tax Support	10	4
Fly Tipping	4	2
Housing Application	1	0
General Housing Issues	8	7
Housing Non Occupation	7	7
Housing Succession	1	1
Non Domestic Rates	2	4
Single Person Discount	1	2
Other	1	1

<u>Case Type</u>	<u>Number of open cases</u>	<u>Number of open cases in the last report</u>
Enforcement	0	1
Total	35	29

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

5.2. Housing Fraud

During the reporting period the team have achieved the following:

	<u>In period</u>	<u>2021/22 (YTD)</u>
Properties recovered	4	10
Prevented allocation (inc homeless applications)	1	1
Stopped Right to Buy (actual discount value)	1 (£84,600)	2 (£169,200)
Notional value of savings	£174,600	£367,200

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.

5.3. Single Person Discount

Throughout the year the Investigators and Inspectors will routinely look into referrals received from the public or other means suggesting there are 2 adults resident and are therefore not eligible to the discount.

	<u>In period</u>	<u>2021/22 YTD</u>
Discounts removed	13 (£10,821)	21 (£15,426)

In addition, the Inspectors have now completed their annual Single Person Discount data matching exercise. This is where we match Council Tax accounts against other data sets which highlights there is a 2nd adult living in the property. We will then take action to correct these accounts.

	<u>2021/22 Exercise</u>
Discounts removed from exercise	166 (£98,392)

5.4. 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	2021/22	In period	2021/22
New billable CT or Rates	£344,305	£523,354	£4,707,954	£5,290,504

6. Staffing

- 6.1. We have recently just recruited a Counter Fraud Apprentice who will be undertaking a 2 year intensive training program through the Chartered Institute of Public Finance and Accountancy. In addition, the Apprentice will be learning from, and taking part in, the Council's own investigations
- 6.2. Once qualified they will become an official accredited Counter Fraud Investigator.

7. Implications

- 7.1. There are no implications from the report.

8. Background Papers

- 8.1. None

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