

Crawley Borough Council

Report to Audit Committee

25 July 2022

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager – FIN/579

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 28 February 2022 to 10 July 2022. All outcome figures are taken from closed cases. Year to date figures are also included in the report for 2022/23.

2. Recommendation

- 2.1. That the Committee notes 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. Information & Analysis

- 4.1 The Fraud Team is currently investigating the following case types:

Case Type	Number of open cases	Number of open cases in the last report
Council Tax Support	4	13
Fly Tipping	2	2
Housing Cases	15	18
Non Domestic Rates	4	1
Single Person Discount	2	4
Other	1	0
Enforcement	1	0
Right to buy	0	2
Total	29	40

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

4.2 Housing Fraud

During the reporting period the team has achieved the following:

	In period	2022/23 (YTD)
Properties recovered	3	2
Notional value of savings	£54,000	£36,000

The previous Audit Commission through its '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.

4.3 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 two adults resident and are therefore not eligible for the discount.

	In period	2022/23 YTD
Discounts removed	7 (£6,053)	4 (£2,832)

In addition, the inspectors are now starting 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 second adult living in the property. We will then take action to correct these accounts.

4.4 Council Tax and Business Rates

The team continues 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	2022/23	In period	2023/23
New billable CT or rates	£68,127	£10,875	£607,950	£607,950

5. **Unlicensed House of Multiple Occupation (HMO)**

- 5.1. The team was asked by Private Sector Housing to help investigate a second suspected unlicensed HMO managed by Gatwick & Crawley Room Ltd / Gatwick House & Rooms Ltd of whom Carolyne Hunt was sole director.
- 5.2. Evidence was obtained showing an unlicensed HMO. A financial penalty totalling £55,000 had been imposed on Carolyne Hunt, Gatwick & Crawley Room Ltd and Gatwick House & Rooms Ltd which the Council is in the process of recovering.

6. **Implications**

- 6.1. There are no implications from the report.

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