

Crawley Borough Council

Report to Audit Committee

8 November 2022

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - **FIN/603**

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 11 July 2022 to 28 October 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 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. Information & Analysis

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

<u>Case Type</u>	<u>Number of open cases</u>
Council Tax Support	10
Housing Cases	18
Non Domestic Rates	1
Single Person Discount	1
Council Tax Liability	1
Enforcement	4
Right to buy	6
Total	41

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 have achieved the following:

	<u>In period</u>	<u>2022/23 (YTD)</u>
Properties recovered	3	5
Notional value of savings	£54,000	£90,000

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.

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 2 adults' resident and are therefore not eligible to the discount.

	<u>In period</u>	<u>2022/23 YTD</u>
Discounts removed	4 (£2,621)	8 (£5,454)

In addition, the Inspectors have now concluded 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.

187 cases were matched as having a possible 2nd undeclared adult resident. Out of those 187 cases we have confirmed 99 has a 2nd adult resident. Their discount has been removed resulting in a saving of £45,000.

4.4. 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	2022/23	In period	2023/23
New billable CT or Rates	£281,404	£287,701	£1,040,457	£1,648,407

5. Fly Tipping Prosecutions

- 5.1. The team was asked by The Community Wardens to help investigate a case of fly tipping. Domestic waste had been dumped in a garage compound. We were able to identify the origins of the waste from some of the paperwork which had been dumped and engaged with that person. It became clear this person had paid someone who they thought was a legitimate waste clearance company to dispose of the waste.

Mr Rehman was identified as collecting the waste and disposing of it. It was established Mr Rehman did not have a certificate of authority to transport waste and was not able to produce a waste transfer notice.

Fixed penalty notices were issued to Mr Rehman. He failed to pay or engage with the council.

Due to the seriousness and prevalence of this crime, criminal proceedings were brought for:

- Failing to furnish a waste transfer notice
- Failing to produce a certificate of authority to transport waste

Mr Rehman failed to attend court so a warrant for his arrest was issued. He was later arrested and brought to Court by Sussex Police.

Mr Rehman pleaded guilty to both offences and was fined £600 and ordered to pay costs of £989.

- 5.2 Community wardens responded to an incident of fly tipping at a garage compound in Ifield. The case was referred to the investigation team to identify who had illegally dumped the waste.

We identified Mr Burchell had been paid to collect and dispose of the waste legally, however he took payment and dumped the waste.

Mr Burchell was issued two fixed penalty notices but failed to pay or engage with the Council so legal proceeding were brought under the Control of Pollution Act and the Environmental Protection Act.

Mr Burchell initially pleaded not guilty but, prior to the trial, changed his plea to guilty. He was sentenced to a £600 fine and £1,000 costs and a victim surcharge of £60.

6. Implications

- 6.1. There are no implications from the report.

7. Background Papers

- 7.1. None

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