

# Crawley Borough Council

## Report to Audit Committee

6 March 2018

### Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. FIN/440

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#### 1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Inspection Team in the period 15 November 2017 to 19 February 2018. 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	11
Housing Applications	11
Housing Investigations (General)	16
Housing non occupation	31
Housing Right to Buy	13
CT Single person Discount	7
Fly tipping	2
Enforcement Breach	1
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	1	8
Prevented allocation (inc homeless applications)	2	12
Properties recovered for our RSL partners	3	7
Stopped Right to Buy (actual discount value)	NIL	12 (£934,800)
Notional value of savings	£108,000	£1,420,800

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 have started 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	15	31
Loss being recovered	£3,819	£10,276

#### 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	£144,271	£549,010	£1,410,330	£4,934,613

#### 4.4 Significant Case Results

##### New claims bonus

The council receives a direct payment from the Ministry of Housing, Communities & Local Government for the number of new properties we report to the valuation office. The bonus is now paid over a 4 year period. However the value of payments is reduced by the number of properties that are listed as long term empty (6 months).

For each new dwelling the total payment is £1,590.55 (of which West Sussex County Council (WSSCC) receives £318.11 and Crawley Borough Council (CBC) £1,272.44) with an additional £350 for affordable housing of which CBC receive £280 and WSSCC receive £70.

At the start of the exercise 182 properties were listed as empty. The inspectors checked all 182 properties through visits, letters and phone calls. They were able to establish 138 properties were not empty leaving 44 empty properties.

As a result of this exercise we will receive £420,520 for 2018/19 and a further 3 years. Had we still reported 182 properties as empty we would only have received approximately £220,000 a year potentially losing £800,000 for the 4 year period.

## 5 Implications

There are no implications from the report.

## 6 Background Papers

### 6.1 None

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