

Crawley Borough Council

Report to Audit Committee

20 March 2023

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - FIN/614

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 29 October 2022 to 5 March 2023. 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 are currently investigating the following case types:

Case Type	Number of open cases
Council Tax Support	17
Housing Cases	14
Non Domestic Rates	2
Single Person Discount	1
Council Tax Liability	1
Enforcement	2
Right to buy	5
Fly Tipping	2
Total	44

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:

	In period	2022/23 (YTD)
Properties recovered	5	10
Notional value of savings	£90,000	£180,000

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	5 (£2,980)	13 (£8,435)

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	£114,406	£408,434	£457,500	£2,105,457

5. **Significant Cases**

- 5.1. The investigation team were asked to assist our Private Sector Housing Team after they received an allegation of an unlicensed house of multiple occupation (HMO) in Southgate owned by Mr Biazzo.

Under section 72 of the Housing Act 2004 offences in relation to licensing of HMOs, it is determined that a person commits an offence, if he is a person having control of or managing an HMO which is required to be licensed but is not so licensed. An HMO licence is required if a property is occupied by 5 or more persons, forming 2 or more households.

The investigation team were able to provide evidence to show 7 bedrooms, with 7 separate tenancies acting as separate households sharing basic facilities. The property was also not up to required standards including fire safety.

After a full review a decision was taken to impose a financial penalty of £7,500 and all deficiencies of the property have now been addressed by the Landlord.

The £7,500 penalty has been paid in full.

- 5.2 Mr Miller was seen littering chewing gum by Crawley Wardens. Mr Miller whose identification was not known at the time refused, when asked, to give his details to

the wardens. It is an offence to litter and an offence to refuse to give his name and address when required to do so under the Environmental Protection Act 1990.

The investigation team were asked to help in this case.

We were able to trace Mr Miller from the body worn cameras and gathered the required evidence to instigate proceeding.

Mr Miller pleaded guilty to 2 offences and was fined £153, with £150 costs and £61 court surcharge.

6. Implications

6.1. There are no implications from the report.

7. Background Papers

7.1. None

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