

Crawley Borough Council

Report to Audit Committee

21 June 2023

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. **FIN/626**

1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 6 March to 7 June 2023. All outcome figures are taken from closed cases.

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 current open cases</u>	<u>Previous reporting period</u>
Council Tax Support	18	17
Housing Cases	13	14
Non Domestic Rates	1	2
Single Person Discount	4	1
Council Tax Liability	2	1
Right to buy	13	5
Fly Tipping	2	2
Enforcement	-	2
Total	53	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:

	<u>In period</u>	<u>2023/24 (YTD)</u>
Properties recovered	5	5
Right to buy prevented	2 (£174,200)	1 (£87,200)
Notional value of savings	£310,700	£223,700

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.

We have revaluated the cost to Crawley using the average cost of Temporary Accommodation which currently stands at £75 per night. Annually this equates to £27,300.

The Crawley figure will therefore be used for recovering properties and preventing false applications from 1 April 2023.

4.3. Single Person Discount

The Council Tax Inspectors have started their annual review exercise of Single Person Discounts.

A Single Person Discount is where the Council Tax liability is reduced by 25% due to single occupation. However, we are not always informed when a 2nd adult joins the property. Using data matching we are able to identify possible cases of concern and correct the liability accordingly.

We will be in a position to share the results at the Committee.

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	2023/24	In period	2023/24
New billable CT or Rates	£90,264	£45,684	£521,100	£521,100

5. Significant Cases

- 5.1 A referral was received from the public highlighting concerns that Mr G was not living at our Council Property and was renting it out for profit.

An Investigator liaised with all interested parties in this case to form a picture of current residency.

A notice to quit was issued and the keys were returned bringing the property back to CBC stock.

- 5.2 Another anonymous referral from the public, stating our tenant Mr S had vacated our property. Evidence gained by the investigator supported this allegation showing Mr S actually lived in the Stafford area.

A cold call visit to our property found an unknown adult living at the property originally insisting Mr S was still in occupation.

Further financial records were obtained allowing us to prove Mr S was not resident and issue a Notice to quit. The property keys were returned.

6. Implications

- 6.1. There are no implications from the report.

7. Background Papers

- 7.1. None

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