

# Crawley Borough Council

## Report to Audit Committee

5 September 2023

### Fraud and Investigation Team Report

Report of the Head of Corporate Finance - Report no. **FIN/631**

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#### 1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 8 June 2023 to 20 August 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	19	18
Housing Cases	13	13
Non Domestic Rates	-	1
Single Person Discount	1	4
Council Tax Liability	1	2
Right to buy	12	13
Fly Tipping	3	2
<b>Total</b>	<b>49</b>	<b>53</b>

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	2	7
Right to buy prevented	3 (£261,600)	4 (£348,800)
Notional value of savings	£336,200	£539,900

From 1 April 2023 we estimate the annual cost to the Council for each property which is not correctly occupied or has been obtained fraudulently to be £27,300.

This is based on the average cost of Temporary Accommodation which currently stands at £75 per night.

Discounts of up to £96,000 are now available under the right to buy scheme. This is a significant amount of money. Investigator's will routinely check applications and make enquiries where appropriate.

#### 4.3. Single Person Discount

The Council Tax Inspectors have completed 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 2<sup>nd</sup> adult joins the property. Using data matching we are able to identify possible cases of concern and correct the liability accordingly.

The inspectors reviewed the matched data and identified 169 cases of concern. This resulted in 113 cases of the Single Person discount being removed, saving £75,000.

#### 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	2023/24	In period	2023/24
New billable CT or Rates	£135,666	£77,110	£802,647	£1,323,747

## **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 West Green owned by Mrs Hussain.

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 6 bedrooms, with 9 adults residents. The property was also not up to required standards including fire and electrical safety.

After a full review a decision was taken to impose a financial penalty of £5,000 and all deficiencies of the property to be resolved.

## **6. Implications**

- 6.1. There are no implications from the report.

## **7. Background Papers**

- 7.1. None

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