

# Crawley Borough Council

## Report to Audit Committee

21 November 2023

### Fraud and Investigation Team Report

Report of the Head of Corporate Finance - Report no. **FIN/638**

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#### 1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 21 August to 7 November 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	16	19
Housing Cases	13	13
Housing Applications	2	0
Single Person Discount	2	1
Council Tax Liability	1	1
Right to buy	10	12
Fly Tipping	2	3
Enforcement	1	0
<b>Total</b>	<b>47</b>	<b>49</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	4 (27,300x4)	11
Right to buy prevented	1 (£96,000)	5 (£480,000)
Prevented Allocations	1	3
Notional value of savings	£232,500	£862,200

The Crawley figure for recovering a property or preventing false applications is £27,300 per year from 1 April 2023.

#### 4.3. New Home Bonus

The Inspectors annually carry out an exercise in relation to the New Home Bonus and Empty Properties. The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas.

For every new property that is completed and added to the valuation office the council receives an amount equivalent to one year's council tax for a band D property. However, the council also loses the same amount of money for every property that has been coded as empty for over 6 months.

This year the council had 229 long term empty properties. The Council Tax Inspectors then visited every single property to establish if the empty property status is correct. They removed the exemptions on 141 properties, which has resulted in approximately £279,520 that will be received by the Council.

#### 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	£76,555.36	£214,786.68	£2,851,105	£4,174,852

## **5. Significant Cases**

- 5.1 A referral was received from Housing in relation to a query they had received from the daughter of one of our tenants. The lady was asking how she could succeed her mother's tenancy as she has paid all the rent and the mother has been in India for the majority of the past 5 years and would only come back to do some admin or health reasons.

Checks were made using both open source and authorised officer powers that the investigators hold. It was established that for a period of 1,338 days, our tenant was out of the country for 1,044 of them. This proved that their Crawley Borough Council property was not their main and principal home.

A notice to quit was issued based on the investigation and the process of recovering the property was started in 2021.

The property was finally returned to the council's stock in October this year after a prolonged recovery process, not helped by the tenant never returning to the UK.

The tenant was also in receipt of benefits, which were suspended in August 2021. These were recalculated and cancelled, causing overpayments of Housing Benefit £20,551.11 and Council Tax Reduction £6,601.88. This is on top of the saving made by recovering the property of £27,300.

## **6. Implications**

- 6.1. There are no implications from the report.

## **7. Background Papers**

- 7.1. None

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