

# Crawley Borough Council

## Report to Audit Committee

3 December 2024

### Update on Counter-Fraud

Report of the Head of Corporate Finance - Report no. **FIN/676**

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#### 1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 19<sup>th</sup> August 2024 to 14<sup>th</sup> November 2024. 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: (Non fraud cases are not included in this report)

<u>Case Type</u>	<u>Number of current open cases</u>	<u>Previous reporting period</u>
Council Tax Support	13	15
Housing Cases	21	19
Fly Tip	1	1
Right to buy	75	22
<b>Total</b>	<b>110</b>	<b>57</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:

	In period	2024/25 (YTD)
Properties recovered	5 (£136,500)	8 (£218,400)
Right to buy prevented	2 (£204,800)	4 (£409,600)
Prevented Allocations	3 (£81,900)	6 (163,800)
Notional value of savings	£423,200	£791,800

Using CBC's own figures from homelessness we estimate the average cost of Temporary Accommodation which currently stands at £75 per night. Annually this equates to £27,300.

#### 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	2024/25	In period	2024/25
New billable CT or Rates	£121,201.91	£188,613.87	£1,323,200	£5,731,950

### 5. **Significant Cases**

- 5.1. A standard Right to Buy application was received by the Investigations Team and the usual checks were carried out. An unannounced home visit was made and no one was home. Letters were left at the property for the tenant to contact the investigator. No reply was made, and the investigator liaised with the Right to Buy team who confirmed that they were having trouble contacting the tenant also.

Further unannounced visits were made and again no one was home. Neighbours were spoken to and stated that the tenants did not live there, and the property was sub-let, but they did not know who to.

An appointment was made to visit the address to see the tenants, whilst there the investigator noted that the property was sparsely furnished but there were clothes in the wardrobe. Tenant advised they did live at the property for 3 days per week as they have rented another property out of area where their children were studying, but that their wife lives here permanently and visits the other address once or twice a month. They claimed this to be their main and principal home.

Checks were carried out on the new address, and it was established that the tenant was liable for council tax there and also had credit and bank accounts registered to this new address.

Bank statements were obtained for the tenant and his partner which showed spending was all out of area and where the new address was for both of them.

Utilities at the out of area address were in the tenant's name.

NHS checks made and confirmed both were registered in new location.

Checks were made with the council of the new address, and they confirmed residency and licensing details.

Open-source investigations also revealed the tenant's employer in the new location.

The tenants were issued a Notice to Quit by the council based on the investigators case summary. The tenants then voluntarily ended their tenancy and returned the keys to the council.

Due to the investigator of this case, we have not only managed to stop the council losing a valuable asset by preventing the Right to Buy, but we have also managed to recover a property that was not being used in the manner it is intended for and has been reallocated to a family in need.

## **6. Implications**

6.1. None

## **7. Background Papers**

7.1 None

Report author and contact officer:

Stuart Small, Deputy Fraud Manager.