

Crawley Borough Council

Report to Audit Committee

25 July 2018

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - **FIN/448**

1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Investigation Team for the period 20 February 2018 to 8 July 2018. All outcome figures are taken from closed cases. Also included are the results for the full year 2017/18.

2. Recommendations

- 2.1 That the Committee note the report.

3. Reasons for the Recommendations

- 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

Active Caseload

The fraud team are currently investigating the following case types

Case Type	Number of Cases
Council Tax Liability Investigation	3
Council Tax Reduction Scheme	14
Housing Applications	8
Housing Investigations (General)	10
Housing non occupation	25
Housing Right to Buy	18
CT Single person Discount	3
Fly tipping	1
Enforcement Breach	1
Taxi Licencing	1
Non Domestic Rates	1
Total	85

The above cases are all at various stages in the investigation lifecycle and will be reported on when the cases are closed.

4.1 Housing Fraud

During the reporting period the team have achieved the following:

	<u>In period</u>	<u>2017/18</u>
Properties recovered	4	9
Prevented allocation (inc homeless applications)	5	15
Properties recovered for our RSL partners	2	8
Stopped Right to Buy (actual discount value)	6 (£472,300)	16 (£1,247,600)
Notional value of savings	£670,300	£1,823,600

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.

The Right to Buy figures are the actual discounts which would have awarded had the sale of the property gone through.

4.2 Single Person Discount (Council Tax Inspectors & Investigators)

A 25% discount in Council Tax liability is given to households where only 1 adult is resident.

The investigators and inspectors throughout the year will routinely look into referrals received from the public or other means suggesting there are 2 adults resident and therefore not eligible to the discount.

	<u>In period</u>	<u>2017/18</u>
Discounts removed	17	39
Loss being recovered	£9,399	£11,152

In addition to their normal work above the team have conducted an exercise matching Single Person Discounts awarded on the Council Tax database against the Electoral Register database. This exercise highlights anomalies between the two.

This exercise has resulted in the further removal of 130 Single Person Discounts to which the resident was not entitled to. The value of the removed discounts is £49,048 and new bills have been issued.

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	2017/18	In period	2017/18
New billable CT or Rates	£194,531	£577,496	£1,410,330	£4,934,613

5 Implications

There are no implications from the report.

6 Background Papers

6.1 None

Report author and contact officer: Chris Corker, Operational Benefits & Corporate Fraud Manager (telephone 01293 438598)

ENDS