

Crawley Borough Council

Report to Audit Committee

27 November 2018

Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. FIN/459

1. Purpose

- 1.1 The report describes the activity of the Corporate Fraud & Investigation Team for the period 17 September 2018 to 12 November 2018. All outcome figures are taken from closed cases. Year to date figures are also included in the report for 2018/19.

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 Reduction Scheme	17
Housing Applications	11
Housing Investigations (General)	9
Housing non occupation	22
Housing Right to Buy	10
CT Single person Discount	2
Enforcement Breach	1
Legacy Housing Benefits	1
Non Domestic Rates	1
Total	74

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>2018/19 (YTD)</u>
Properties recovered	1	7
Prevented allocation (inc homeless applications)	1	5
Properties recovered for our RSL partners	0	3
Stopped Right to Buy (actual discount value)	3 (£242,700)	7 (£561,700)
Notional value of savings	£274,700	£831,700

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. 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>2018/19 YTD</u>
Discounts removed	3	18
Loss being recovered	£3,981	£14,478

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	2018/19 (YTD)	In period	2018/19 (YTD)
New billable CT or Rates	£127,094	£481,425	£1,048,275	£3,558,715

5 Significant Cases

5.1 Council Tax Fraud

A resident was recently prosecuted for supplying false student certificates in order to gain a Council Tax exemption. Had the exemption been fully granted she would have received a reduction of £2000 in Council Tax.

The Taxation team referred their suspicions to the fraud team who quickly verified the student documents presented to the council were counterfeit. During the interview under caution our resident fully admitted the offences. The case was heard at Crawley Magistrates where she was sentenced to a 12 Month Community Order with 150 hours of unpaid work and ordered to pay £500 costs.

5.2 Fly-tipping

A Bewbush resident pleaded guilty to an offence under the Environmental Protection Act 1990 at Crawley Magistrates' Court.

In April 2017, the council received an anonymous tip-off that a man was fly-tipping in a residential car park in Gasson Wood Road, Bewbush. Community Wardens attended the scene and were provided with video footage by a witness, which showed a large amount of rubbish being dumped from the back of a tipper van.

An investigation led by the council's Fraud Team gathered evidence which identified the culprit. The van he used in the fly-tipping was uninsured, untaxed and without an MOT.

He was sentenced by the court to a 12 month Community Order and ordered to pay £171 in compensation, which was the cost of clearing up the rubbish. In addition, he also received a 12 month driving disqualification and a three month curfew.

6 Implications

6.1 There are no implications from the report.

7 Background Papers

7.1 None

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