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Waverley Borough Council
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To: All Members of the AUDIT & RISK
COMMITTEE
(Other Members for Information)

When calling please ask for:

Kimberly Soane, Democratic Services
Officer

Legal & Democratic Services

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Direct line: 01483 523258

Calls may be recorded for training or monitoring

Date: 15 March 2024

Membership of the Audit & Risk Committee

Cllr Julian Spence (Chair)
Cllr Michaela Wicks (Vice Chair)
Cllr David Beaman
Cllr Jerome Davidson

Cllr Maxine Gale
Cllr Ken Reed
Cllr Connor Relleen

Dear Councillors

A meeting of the AUDIT & RISK COMMITTEE will be held as follows:

DATE: MONDAY, 25 MARCH 2024

TIME: 7.00 PM

PLACE: COMMITTEE ROOM 1, COUNCIL OFFICES, THE BURYS,
GODALMING

The Agenda for the meeting is set out below.

This meeting will be webcast and can be viewed on [Waverley Borough Council's YouTube channel](#) or by visiting www.waverley.gov.uk/webcast.

Yours sincerely

Susan Sale,
Executive Head of Legal & Democratic Services & Monitoring Officer

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NOTE FOR MEMBERS

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

AGENDA

13. **FRAUD INVESTIGATION SUMMARY** (Pages 1 - 8)

The report (to follow) provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy Fraud.

Recommendation

It is recommended that the Audit Committee notes the success of the fraud investigation activity.

**For further information or assistance, please telephone
Kimberly Soane, Democratic Services Officer, on 01483 523258 or by
email at Kimberly.soane@waverley.gov.uk**

Waverley Borough Council

Report to: Audit & Risk Committee

Date: 25 March 2024

Ward(s) affected: All

Report of Director: Ian Doyle, Transformation & Governance

Author: Fraud Investigation Officer

Tel: 01483 523583

Email: Jose.Ribeiro@waverley.gov.uk

Audit Committee Chairman: Cllr Spence

Email: Julian.Spence@waverley.gov.uk

Report Status: Open

Fraud Investigation Summary for Qtr 1 - 4 in 2023-2024

1. Executive Summary

- 1.1 The Audit and Risk Committee is responsible for monitoring and reviewing the adequacy of the Council's anti-fraud arrangements and this is a key aspect of the Council's risk management, control and governance framework.
- 1.2 This report provides the Audit and Risk Committee with an overview of Waverley's fraud investigation activity completed in quarters 1 to 4 of 2023-24 (1st April to 25 March 2024).
- 1.3 This work has resulted in the recovery of three properties.

2. Recommendation to Audit & Risk Committee

- 2.1 That Audit & Risk Committee notes the results of the anti-fraud activity and investigation as set out in Appendix 1.

3. Reason(s) for Recommendation:

- 3.1. To enable the Audit & Risk Committee to be aware of the results of the housing fraud investigation activity for the period covering 01 April 2023 to 25 March 2024.

4. Exemption from publication

- 4.1. N/A

5. Purpose of Report

- 5.1 The report provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy fraud

6. Strategic Priorities

- 6.1. A financially sound Waverley, with infrastructure and services fit for the future.

7. Background

- 7.1 This report provides the Audit & Risk Committee with an update on the activity relating to fraud investigations. The success of the work completed has been supported by the Prevention of Social Housing Fraud Act 2013 where the maximum penalty for the offence of acting dishonestly in the subletting/parting with possession of a property is up to 2 years' imprisonment or a fine (or both).

- 7.2 In the period 01 April 2023 to 25 March 2024 successes included 3 properties being made available for new tenants to occupy. These 3 tenancies were a result of the tenants not utilising the properties in accordance with tenancy terms and conditions, for all of these tenancies, the tenant was not residing at the tenancy address as their main or principal home.

8. Consultations

- 8.1 No consultations were completed re the content of this report as the results would not have been affected by a consultation as they are a report of facts.

9. Key Risks

- 9.1 If the authority did not carry out this investigation work it would enable fraudsters to perpetrate housing fraud against the council and obtain services or financial benefit including housing to which they are not entitled. This investigative work therefore assists in protecting council assets and the council reputation on how it deals with fraud.

10. Financial Implications

- 10.1. Without the work of the Housing Tenancy Fraud investigator the achievement of the recovery of 3 properties and the cancellation of a Housing Application in the 2023-24 financial year could not be realised. This work supports the council zero tolerance to fraud whilst providing indicative saving of £241,183 based on Cabinet Office notional values. Whilst recognising the cost to Waverley to build a new home is on average £300K, which these recoveries therefore equate to £900K in savings to the council, if we had been required to build replacement properties.

11. Legal Implications

- 11.1 The Local Government Transparency Code requires the Council to publish data regarding its anti-fraud arrangements. The information contained within the Appendix consist of part of that. Consistent with the Code, this information will also be published on the Council's website in due course.
- 11.2 The responsibilities of public sector entities in relation to the prevention and detection of fraud and error are set out in statute, standards and other guidance. Local authorities also have a statutory duty to make arrangements for the proper administration of their financial affairs.

12. Human Resource Implications

- 12.1. N/A

13. Equality and Diversity Implications

- 13.1 There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

14. Climate Change/Sustainability Implications

- 14.1. There are no direct implications in the report.

15. Conclusion

- 15.1 The contents of the report inform the Audit Committee of the recovery of properties from those not using them in accordance with the tenancy agreement and the financial and reputational value of completing this work to safeguard the councils' assets.

16. Background Papers

16.1 There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

17. Appendices

17.1 Appendix 1 – Fraud investigation results for the financial year 2023-24.

18. Governance Journey

18.1 The minutes of the meeting will be included on the next Council agenda.

Please ensure the following service areas have signed off your report.
Please complete this box, and do not delete.

Service	Sign off date
Finance / S.151 Officer (Rosie Plaistowe Melham)	
Legal / Governance Mark Watkins	
HR (Jon Formby)	
Equalities	
Strategic Director (Ian Doyle)	
Lead Councillor	N/A
CMB	N/A
Executive Briefing/Liaison	N/A
Committee Services	

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Authority	Waverley
Accumulative up to Quarter	4

Record of cases investigated in the period covering 01 April 2023 - 25 March 2024

	Cases carried over from previous years	Referrals received since 1 April 2023	Cases Started	Cases closed	Still under investigation	Positive outcomes includes previous years cases	Properties retained by the Council	Properties Handed Back /Recovered	Housing / Homeless/RTB / Succession/Mutual Exchange/Shared ownership application withdrawn	Financial Value	Prosecutions	Other Sanctions
Number of Referrals from Members of the Public on Website	1	42	42	38	5	0		0				
Housing												
Social housing Fraud	8	9	9	11	6	3		3	Tenancy/ices Relinquished	234,900	0	
Housing Register Fraud	2	5	5	5	2	1		0	Housing Applications Rejected	4,283		
Homelessness Applications	0							0		0		
Right To Buy/Right To Acquire	4	17	11	12	9	0		0	Right to Buy stopped and/or Tenancy Relinquished	0		
Successions	1	1	1	1	1	0		0	No of Succession/s denied	0		
Sole to Joint Tenancy	1	3	3	4	0	0	0	0	Joint Tenancy Denied	0		
Recovered properties for others	0											
Council Tax Discount												
SPD & LCTRS (As result from Caseload above)						0						
Student Exemptions												
Disability												
Council Tax Support (benefit)												
CT overpayment identified during cases above												
Business rates												
NNDR												
HB overpayment identified during cases above												
Other (DFG)												
NFI exercise **										2,000		
2023/24	17	77	71	71	23	4	0	3		£241,183.00		
2022/23 Year Total	17	70	70	69	15	12	1	10		£1,023,729.00		£4,166.42
2021/22 Year Total	11	121	131	116	17	15	5	5		£964,810.00		
2020/21 Year Total	11	58	67	56	11	13	7	6		£1,083,000.00		
2019/20 Year Total	18	65	83	73	11	4	0	6		£879,976.00		
2018/19 Year Total	18	54	72	55	17	8	3	4		£189,710.00		
2017/18 Year Total	21*	113	134	117	17	30	13	10		£733,930.00		
2016/17 Year Total	11	127	138	118	20*	32	13	12		£688,866.00		
							42	53	Accumulative over 7 years	£5,564,021.00		£4,166.42

Page 7

Value of financial savings (NFI Cabinet Office savings 01 April 2023)

Tenancy Recovered (includes where successions not applicable and property available for new tenants) - £78,300
 Housing/Homeless Application withdrawn - £4,283
 Right To Buy/Right To Acquire withdrawn/terminated - £96,000 per application withdrawn re max RTB
 Council Tax Single Person Discount - Annual value of discount cancelled multiplied by 2 years
 Council Tax Support - weekly reduction multiplied by 33 weeks.
 Business Rates - actual figure per case
 Housing Benefit Overpayment identified during investigation - actual figures per case

Resources utilised to investigate - 1 full time officer, approx. £80,000 per year including legal costs etc (£20K per quarter)

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