

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE – 21 JUNE 2016

Title:

Counter Fraud Investigation Summary

[Wards Affected: All]

Summary and purpose:

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the work being completed as part of the Surrey Counter Fraud Partnership, investigating all types of fraud (excluding Housing Benefit which is now investigated by the Department for Work & Pensions through the introduction of the Single Fraud Investigating Service). This work has been supported with funding from the Department for Communities & Local Government to assist with combating fraud.

How this report relates to the Council's Corporate Priorities:

Resource/Value for Money implications:

Through the detection of instances of fraud, the Council's resources are better safeguarded thus improving value for money by reducing the waiting list for homes and ensuring that members of the public are only provided with housing or Council Tax and Business Rates discounts that they are entitled to. The DCLG and the Housing Revenue Account funds have supported this work through providing funding that has been utilised at Waverley to obtain the services of an experienced Fraud Investigator.

Legal Implications:

It is the Council's duty to safeguard public funds, and there may be legal costs in taking any matters to prosecution. However these costs are out weighed by the Council's belief that fraud perpetrated against the council and its tax payers will not be tolerated.

Introduction

1. This report provides the Audit Committee with an update on the progress being made on fraud investigations that are being completed supported by the funding obtained from the Housing Revenue Account and the Department of Communities and Local Government as part of the Surrey Counter- Fraud Partnership. Initially Waverley Borough Council joined Surrey County Council and 6 other local authorities to form the Surrey Counter- Fraud Partnership, and has now increased to 8 councils. The funding enabled Waverley to obtain the services of an experienced Fraud Investigator initially focusing on Housing Tenancy Fraud since March 2015, which was supported by the introduction of the Prevention of Social Housing Fraud Act 2013 where the maximum penalty is up to 2 years imprisonment or a fine (or both).

Findings

2. A summary of the volumes of cases being investigated is detailed in Annexe 1, for activity up until 31 March 2016. Results are also reported to Surrey County Council to enable these to be included as part of the SCFP return to the DCLG.
3. Current results include seven properties, which were not being occupied by the tenant in accordance with the Tenancy Agreements terms and conditions, being recovered and these properties have been made available to be re-let to tenants on our waiting list. Three housing register applications have been refused as the information provided on the application did not reflect the true circumstances of the applicant. Eleven Right to Buy applications were refused/withdrawn as the information provided on the applications did not reflect the true circumstances of the applicant's situation. Three of these RTB tenants subsequently relinquished their tenancy as the property was not being used in accordance with the Tenancy agreement as they were either not living at the property or already owned property which was not declared on the original application for housing.
4. The volume of fraud investigation cases is increasing as awareness is cascaded to members of the public and staff through the poster campaign and leaflet drop as part of the council tax billing exercise. Cases that need further investigation or co-operation from other bodies are also continuing to be progressed.

Conclusion

5. The Investigation officer supported by the Internal Audit Client Manager will continue to investigate the cases reported and introduce new policies and procedures to maintain strong working practices, and where possible liaise with others in the partnership to maximise successful outcomes. The team will also continue to raise awareness with tenants that breaches of tenancy agreements will not be tolerated and to minimise the risk of fraudulent activity.

6. The value of financial savings detailed in Annexe 1 is currently £1,073,710 based on Audit Commission notional figures. However, these notional figures do not include the real value to Waverley, as it costs on average £200,000 to build a new house. When tenancies are relinquished these are then allocated to those on our housing waiting list who fulfil the necessary criteria. Therefore as seven tenancies have been recovered this equates to £1.4 million not being required to replace these properties. This proves the fundamental importance of this work being carried out to ensure that only those that qualify for social housing are successful, and to securing the return of properties back into housing stock helps Waverley in meeting the needs of legitimate housing applicants.
7. The Surrey Counter Fraud Partnership is expanding the areas of fraud prevention work into Business Rates and Council Tax. Although not always seen as fraudulent activity it is an avoidance of payment of a tax that if stopped increases income collected and therefore reduces the liability to other legitimate tax payers.

Recommendation

That the Audit Committee continues to support this investigation activity and notes the successes being achieved in safeguarding Waverley's assets and ensuring that only those that are legitimately eligible receive housing services.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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