

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE – 15 NOVEMBER 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).

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 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 residual funding from 2015-16. The Surrey Counter Fraud Partnership (SCFP) membership has now increased to 8 Surrey councils and other social housing providers attend relevant sub groups. The funding enabled Waverley to obtain the services of an experienced Fraud Investigator 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 2, for activity up until the end of Quarter 2, 30 September 2016. Audit Committee are provided with updates in each committee meeting throughout the year. Results are collated and provided to Surrey County Council to enable these to be cascade to the Surrey Treasurers and used for publicising the partnerships successes.
3. In this period, results include 5 properties relinquished, and have been made available to be re-let to tenants on our waiting list. This was due to either the properties not being occupied by the tenant in accordance with the Tenancy Agreements terms and conditions, or the tenancy was originally obtained by providing inaccurate information, therefore fraudulently obtaining the tenancy. 5 housing register applications have been refused as the information provided on the application did not reflect the true circumstances. Two Right to Buy applications were withdrawn as the information provided on the applications did not reflect the true circumstances of the applicant's situation that subsequently resulted in the tenants decision to relinquish the tenancy rather than going through prosecution proceedings.
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 progress.

Conclusion

5. The Fraud Investigation officer supported by the Internal Audit Client Manager will continue to investigate the cases reported and introduce enhancements to 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 for Quarter 2 of 2016-17, is currently £443,661 based on Audit Commission notional figures. However, these notional figures do not include the real value to Waverley Borough Council, 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 the investigation activities have resulted in savings of £1.6m, not being required to replace the 8 tenancies relinquished since the start of April 2016. These outcomes not only highlights the fundamental financial value of continuing to support the work being carried out but the ethical importance to ensure that only those that qualify for social housing are successful, and by securing the return of properties back into housing stock helps Waverley to meet the needs of legitimate housing applicants.

7. In support of the fight against fraud the authority has participated in the National Fraud Initiative in the autumn of 2016 and will contribute to the Surrey Counter Fraud Partnership Data hub when this has been formally agreed. This allows key datasets of information to be data matched with other data contributor's including other local authorities, insurance companies and pension providers etc. This will assist in identifying data anomalies that require investigation to ensure fraudulent practices are not in operation. A progress report will be provided to the Audit Committee as work commences with this exercise after the NFI matches are provided and any updated on the SCFP data hub.

Recommendation

That the Audit Committee notes:-

1. the success of the investigation activity and continues to support the work being completed to safeguard Waverley's assets and ensuring that only those that are legitimately eligible to receive our services are successful; and

2. the Council's participation in the National Fraud Initiative and the Surrey Counter Fraud Partnership Data Hub to assist in identifying fraudulent activities.

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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