

WAVERLEY BOROUGH COUNCIL
AUDIT COMMITTEE – 24 JULY 2018

Title:

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 in investigating all types of fraud, primarily focusing on Housing Tenancy fraud.

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

Internal Audit and fraud investigation work initiatives contribute to the safeguarding of assets against loss and waste. This contributes to the corporate priority of Value for Money.

Resource/Value for Money implications:

Through the detection of instances of housing related fraud, the Council's resources are better safeguarded thus improving value for money and reducing the waiting list for homes. This work ensures that members of the public are only provided with housing and other services that they are legally entitled. As a by-product of the fraud investigation cases changes to Council Tax and Business Rates discounts may materialise. The Housing Revenue Account funds have continued to support this work through providing resources that have been utilised 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 through to prosecution. However, these costs are far outweighed by the Council's belief that fraud perpetrated against the council and its tax payers will not be tolerated and there are tangible and intangible benefits of the recovery of HRA properties by stopping fraudsters receiving services that they are not entitled to.

Introduction

1. This report provides the Audit Committee with an update on the progress being made on fraud investigations that are being completed. As part of the Surrey Counter Fraud Partnership (SCFP) 8 Surrey councils and other social housing providers are working together, including attendance at relevant sub groups in collaboration to fight fraud and share information, ideas and achievements. The SCFP and its partners have signed up to Information

Sharing Protocols to facilitate data matching exercises between members. Waverley has one dedicated experienced Fraud Investigator since March 2015. The success of the work completed has been 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) and the continued support of the council to fund this post until April 2019.

Details of Results

2. A summary of the volumes of cases being investigated is detailed in Annexe 1, for activity up until the end of Quarter 4, 31 March 2018. The Audit Committee are provided with updates throughout the year at each audit Committee. Our results are also collated and provided to Surrey County Council to enable these to be cascade to the Surrey Treasurers and used for publicising the success of the partnership.
3. For comparison purposes, as requested by the Audit Committee, the final figures for 2016/17 have been provided.
4. In this period, results include 9 properties being relinquished, and these have now been made available to be re-let to tenants on our waiting list. 5 of these were due to 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. The remaining 4 instances were a result of unsuccessful successions where investigations concluded that details provided on the application did not reflect the true circumstances of the applicant/s.
5. An increase awareness of Housing staff and training has enabled cases to be dealt with more confidently and efficiently, however work continues to embed new ideas and processes to safeguard our assets.
6. In this year the Council successfully obtained legal possession of a property, own by Ewart Bequest but managed by Waverley on there behalf. After many years of that property not being occupied in accordance with the tenancy agreement, although a previous attempt though the benefits process to secure a conviction had failed, this success highlights the thorough process applied to obtain this result. This successful prosecution informs those that seek to abuse their tenancy agreements that Waverley will not tolerate this behaviour as it deprives others of much needed accommodation.
7. In working in collaboration with one of the housing associations in our area the investigation officer assisted them to obtain possession of one of their properties where it was not being used in accordance with the terms of their tenancy agreement.

Conclusion

8. The Fraud Investigation Officer, supported by the Internal Audit Manager, will continue to investigate the cases reported and introduce, where applicable, enhancements to policies and procedures to maintain effective working practices. Where the need arises we will work closely with other officers in the council and in the partnership with others to maximise successful outcomes. The housing team support this work by informing tenants that breaches of a tenancy agreement will not be tolerated and this will also assist in minimising the risk of fraudulent activity occurring.

9. The notional value of financial savings detailed in Annexe 1 up to 31 March 2018, is £733,930 based on Audit Commission 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 (£1,800,000). Where tenancies are relinquished or those that are not applicable for social housing or a succession these properties are allocated to those on our housing waiting list who fulfil the necessary criteria. These outcomes not only highlights the fundamental financial value of continuing to support the work being carried out but the ethical and social responsibility 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.

Recommendation

It is recommended that the Audit Committee notes the success of the housing fraud investigation activity and the results achieved.

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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