

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

2ND AUGUST 2021

Title:

FRAUD INVESTIGATION SUMMARY FOR 2020-2021

Lead Councillor: Councillor Peter Marriott, Chairman of Audit Committee

Strategic Director: Graeme Clark

Key decision: Yes

Access: Public

1. Purpose and summary

The report provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy fraud. The report also includes the current outputs in relation to the National Fraud Initiative (NFI)

2. Recommendation

It is recommended that the Audit Committee notes the results of the fraud investigation activity, attached in:-

Annexe 1 for the whole year for 1 April 2020 to 31 March 2021.

3. Reason for the recommendation

To inform the Audit Committee of the work that has been completed to date in relation to fraud investigation matters.

4. Background

- 4.1 This report provides the Audit Committee with an update on the activity relating to fraud investigations. As part of this work we continue to share ideas and information with other Surrey councils and other social housing providers as part of the Surrey Counter Fraud Partnership. 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).

- 4.2 In the period 1st April 2020 to 31st March 2021, results include 6 properties where the tenancies have been recovered including 2 where the right to buy was stopped and the tenancy relinquished as it was not the sole and principal home of the tenant.
- 4.3 In the current situation with covid restrictions care has been taken to protect members of the public and staff where reduced contact has been necessary. Although this has placed limitations on the normal activities taken to investigate cases notified to us by members of the public the investigation officer resource has also been utilised to assist and contribute to the process developed to determine controls and checks on the eligibility, awarding and issuing of Covid grants to businesses.

5. Relationship to the Corporate Strategy and Service Plan

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

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The notional value of financial savings detailed in Annexe 1 for the cumulative year for 2020-2021 relates to the recovery of 6 relinquished tenancies and the retention of 5 other properties, 4 of which relates to Right to buy applications and the other a succession that was denied due to the inaccuracy of the information supplied. This provided a total value of £1,083,000 indicative savings to the council, based on Cabinet Office figures relating directly to housing fraud casework.

These however are indicative values do not include the real value to Waverley Borough Council, as it costs on average £200,000 to build a new house. Outcomes from this work not only highlight 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. By securing the return of 6 properties back into housing stock helps Waverley to meet the needs of legitimate housing applicants.

6.2 Risk management

If the authority did not carry out this investigation work it would enable fraudsters to perpetrate fraud against the council and obtain services or financial benefit including housing that they are not entitled to and this work helps to protect council assets.

6.3 Legal

It is the Council's duty to safeguard public funds; the work being completed may incur legal costs where matters escalate to prosecution. However, these costs are assessed on a case-by-case basis and are outweighed by the Council's stance that fraud perpetrated against the council and its taxpayers will not be tolerated, and the benefits (financial and otherwise) in pursuing these cases. There are tangible and

intangible benefits to the recovery of HRA properties by stopping perpetrators from receiving services that they are not entitled to.

The Prevention of Social Housing Fraud Act 2013 contains two offences regarding the sub-letting or parting with possession of properties held under secure tenancies. The first is committed where the tenant no longer occupies the property as their only or principal home and sublets or parts possession of all or part of it in the knowledge that this is in breach of tenancy. A person convicted of this offence is liable on summary conviction to a fine of up to £5,000.

A more serious offence is committed if the tenant acts dishonestly in the subletting/parting with possession. A person convicted of this offence is liable to imprisonment for a term not exceeding 2 years or a fine (or both).

6.4 **Equality, diversity and inclusion**

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.

6.5 **Climate emergency declaration**

There are no direct implications in this report.

7. **Consultation and engagement**

7.1 Head of Housing Operations and the Fraud Investigation Officer

8. **Other options considered**

8.1 N/A

9. **Governance journey**

9.1 The minutes of the Audit Committee will be presented to Council.

Annexe:

Annexe 1 – Provides the analysis of the caseload and cumulative outputs from the Fraud Investigation activity for the period 01/04/2020 to 31/03/2021 for the whole financial year.

Background Papers

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

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Agreed and signed off by:
Legal Services: 5 July 2021
Head of Finance: 5 July 2021
Strategic Director: 12 July 2021