

**WAVERLEY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**8<sup>TH</sup> NOVEMBER 2021**

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**Title:**

**Q2 FRAUD INVESTIGATION SUMMARY FOR 2021-2022**

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**Lead Councillor: Councillor Peter Marriott, Chairman of Audit Committee**

**Strategic Director: Graeme Clark**

**Key decision: Yes**

**Access: Public**

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**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.

**2. Recommendation**

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

Annexe 1 up to the end of 2<sup>ND</sup> Quarter of 2021-22, 01 April 2021- 30 September 2021 activity.

**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. 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 1<sup>st</sup> April 2021 to 30 September 2021 successes included the recovery of 3 relinquished tenancies and the retention of 4 other properties, 1 of which relates to a Right to buy application where the right to buy was stopped and the tenancy relinquished as it was not the sole and principal home of the tenant. The others related to applications which were denied due to the inaccuracy of the information supplied when either applying to be included on our housing waiting list or applying for succession.
- 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, work has continued to investigate allegations of misuse of council properties in breach of tenancy agreements terms and conditions.

## **5. Relationship to the Corporate Strategy and Service Plan**

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

## **6. Implications of decision**

### **6.1 Resource (Finance, procurement, staffing, IT)**

The notional value of financial savings detailed in Annexe 1 for the cumulative period 1<sup>st</sup> April 2021- 30<sup>th</sup> September 2021 relates to the recovery of 3 relinquished tenancies and the retention of 4 other properties, 1 of which relates to a Right to buy application and the others were denied due to the inaccuracy of the information supplied to be included on our waiting list or applying for succession. This provided a total value of £508,000 indicative savings to the council for this period, 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 returning or retaining these 7 properties in the 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 30/09/2021.

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## **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: 21/10/2021  
Head of Finance: 15/10/2021  
Strategic Director: