

**WAVERLEY BOROUGH COUNCIL**

**AUDIT COMMITTEE – 15 MARCH 2016**

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**Title:**

**Counter Fraud Investigation Summary**

[Wards Affected: All]

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**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.

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**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.

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## **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 December 2015. Results are also reported to Surrey County Council to enable these to be included as part of the SCFP return to the DCLG. At the June 2016 the Audit Committee will be provided with an update to show the progress made up to the end of March 2016.
3. Current results include five 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 the waiting list. Three housing applications have been refused as the information provided did not reflect the true circumstances of the applicant and five Right to Buy applications were withdrawn as the information provided on the applications did not reflect the true circumstances of the applicant's situation. This not only prevented the Right to Buy occurring but the tenant also relinquished their tenancy as it was proven that our tenancy was not being used as their sole/principal home as per WBC tenancy agreement conditions.
4. The volume of fraud investigation cases is increasing as awareness is cascaded to members of the public and staff to highlight concerns with cases that they are dealing with. Cases that need further investigation or co-operation from other bodies are also continuing to be progressed.
5. The Surrey Counter- Fraud Partnership has commenced a publicity campaign to highlight the importance of reporting Housing Fraud which included the co-operation and involvement of register social landlords in the county of Surrey. New methods are being implemented to enable those that have concerns to raise them, including an insert with the yearly Council Tax billing for 2016-17.

## **Conclusion**

6. 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.

7. The value of financial savings detailed in Annexe 1 is currently £534,310 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 and where tenancies are relinquished these are then allocated to those on our housing waiting list who fulfil the necessary criteria. Therefore as five tenancies have been recovered this equates to £1million not being required to replace these properties. This proves the fundamental importance 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.
8. 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 ensure only those that are eligible receive our services.

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### **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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