

Report Title: Annual Report - Investigation & Enforcement Support Team

Introduction and Background

1. This report provides an update on the work of the Investigations Team which is part of the Finance & IT Service.
2. The Investigation Team has five full time equivalent staff consisting of one Manager, two Investigators, one Intelligence Officer, and one Assistant. The focus and objective of the team is to deliver and promote an anti fraud and corruption culture throughout the authority and wider afield, this is achieved through awareness and training in order to deter, prevent and detect incidents of fraud.

Current Position

3. Over the last year the Council's expenditure supporting the fraud investigation team has been as follows with the teams budget broken down in the table below:

	£
Direct costs (i.e. wages)	192,120
Supplies and services	20,800
Travel costs	6,180
External grants and contributions	(45,500)
Indirect costs (i.e. payroll/legal)	13,800
Total cost	187,400

4. During 2018/19, the team has conducted approximately 370 investigations and a number of specific campaigns to identify financial abuse, irregularity and fraud. The overall financial value identified amounts to **£656,026**, this amount is the total identified across the sector and **£467,618** is directly recoverable by Ashford Borough Council.
5. It should be noted that many of these amounts are calculated based on a one year effect although these savings carry forward into future year savings that will benefit the Council and the wider sector. This total is further broken down in the following paragraph' and table below.
6. Working in partnership with the Revenues and Benefits team, we have identified various financial savings detailed in the paragraphs below:
 - a. Identifying Long Term Empty (LTE) properties that are occupied was a new area for the team this year; the aim was to recognise the properties as in use so increasing the New Homes Bonus Grant (NHB) receivable by the Council. During this year 54 properties were identified which had been declared as empty when they were actually inhabited. Figures identified at **A** in the table below.

- b. Small Business Rate Relief has been identified as an area of high financial risk and we are currently undertaking a review of all applications. This is being conducted in campaigns of 200 cases per review and has attributed savings detailed in **G** and **H** in the table below. The review will continue across all 1800 relief applications.
 - c. Business Rates is another new area the Investigations team work on. This involves looking into Businesses that have not registered for business rates, which includes properties that have undeclared holiday lets and therefore not on the rating list. Detail at **I** in the table below.
7. The team is also working in partnership with the Council's Housing Service to safe guard the Council's residential properties. To ensure that only those with genuine entitlement are allocated Housing through the Council.
- a. Working to protect the Council's Right to Buy Scheme, ensuring that only those entitled receive discounts. Successful 'Right to Buy' applications have been reduced by 30% since the team have been verifying the application process with one Right to Buy application being refused. Not only is the discount not applied to the sale, the annual rental income is also maintained.
 - b. The team investigates cases of sub-letting, false succession tenancies and property abandonment. The team has identified a case of false application for housing resulting in a saving of £7,200 and a discharge of the duty to house.
 - c. Referrals from the housing team has lead to three properties being returned to our Housing Revenue Account. This has enabled three families from the waiting list to be rehomed. Detail in **L** in the table.

	Identified	Total amount (£)	Total amount retained by ABC (£)	Comment
A	Long Term Empty Properties (NHB)	264,600	211,680	This is the total amount based on 54 properties over 4 years. This is based on the assumption NHB continues to be paid to the Council from Government.
B	Removal of Single Persons Council Tax Discount	49,652	4,965	One year affect. ABC keeps around 10% of Council Tax

C	Amended Council Tax Liability	17,176	1,718	One year affect. ABC keeps around 10% of Council Tax
D	Overpayment of Council Tax Support	6,063	6,063	Recoverable amount for 2018/19 only, annual income also achievable not quantified.
E	Council Tax Fines	2,240	2,240	
F	Overpayment of Rent Allowance & Rebates	78,454	78,454	Recoverable amount
G	Small Business Rate Review 1	24,452	0	Represents one year income, relief funded centrally, this is making the assumption that central relief continues
H	Small Business Rate Review 2	29,393	0	Represents one year income, relief funded centrally, this is making the assumption that central relief continues
I	Undeclared Business Rates	42,996	21,498	Annual income, represents one year income, ABC keeps 50%, the other 50% is pooled
J	Right to Buy prevention	79,800	79,800	This represents the discount that would have been applied to the purchase. Loss of annual rent is also a consideration.
K	Housing Duty Discharged	7,200	7,200	Bed and breakfast costs saved.
L	Properties Gained	54,000	54,000	This amount is calculated by using the nationally (Audit Commission) recognised figure of £18,000 per property.
	Total	656,026	467,618	

8. Supporting the Environmental Services, the Investigations team investigated a number of fly tips across the Borough. This work does not generate financial savings but it does have an impact on the health and wellbeing of our residents. The team have had one successful prosecution along with 6 other

cases with positive outcomes this year. All cases have resulted in the fly tip having been removed as well as warning letters issues and education in licensing.

9. The team are working closely with Kent County Council staff assisting the Kent Information Network (KIN), a Kent-wide partnership on the collation of information and specific data matching exercises. They are exploring new risk areas and are developing KIN into a data hub for the whole county in Small Business Rate Relief, Charity Relief and Direct Payment Abuse.
10. We are delighted to report that in partnership with Destin Solutions HUB, the KIN received the Alarm Risk Award 2019 for the 'best initiative in combatting fraud'. The HUB solution helped proactively flag instances of false claims of Small Business Rate Relief with minimal effort and resource required by KIN members. A rebilling of £387,304 of incorrect/fraudulent relief claims across Kent.

New Areas of Focus

11. Fraud is one of the fastest growing areas of crime in modern society. The residents and stakeholders of Ashford Borough Council have a right to expect that their public funds are secure and handled honestly. The team have become proactive in prevention and detection of financial irregularity and fraud across the Council. The Team works in partnership with each department, identifying any possible abuse of funds, systems and processes. We safeguard our public purse and secure our services. A specific programme of projects and or service areas are agreed with the Head of Finance & IT and this programme runs alongside the reactive workload of the team.
12. **Housing** - Ashford's Homelessness review confirmed that homelessness has reached an all-time high with available social homes at an all-time low. In short this means more families are being placed in temporary accommodation and our Homelessness budget is being stretched beyond all recognition.
13. As the founder member of the Kent Tenancy Fraud Forum which sits under the Kent Housing Group Umbrella, we are currently running a month long 'Key Amnesty' along with 13 Housing Associations and Local Authorities. Ashford Borough Council is pleased to report we have so far received four sets of keys.
14. Private Sector Housing and the Investigations Team were successful in bidding for funding from MHCLG. We were granted £39,000 to explore data matching, to identify unlicensed House of Multiple Occupation thus reducing rogue landlords and improving housing conditions for our residents. This is again a new area of work for the team and we will report on our findings next year.
15. Fraud Awareness Training for our new Housing Repairs contractor is being developed.
16. **Grants** – Ashford has responsibility for a number of community grants. We will be reviewing the verification process of applications working in partnership with relevant departments.

17. **Reform of the Annual Canvass:** The team will be working alongside our electoral registration officers with regard to local data matching, whereby locally held data sets can be used to match data against the register of electors.
18. This project is designed to bring the annual canvass up-to-date, becoming more cost effective and less cumbersome.

Financial Year 2019/2020 – Commercial Contract October 2019

19. The Investigation Team have been successful in securing an initial one year contract with East Kent Authorities, Dover, Canterbury, and Folkestone & Hythe, to investigate Social Housing Fraud on their behalf. This is a new area of work for the authorities. The team are currently working on a paper to seek Management Team approval to invest in the Investigation team to cover the extra workload and follow succession planning models.

Conclusion

20. This has been another successful year for the team, identifying and eliminating a number of areas of fraud and irregularity.
21. This report outlines a broad work plan for the team which highlights new campaigns for preventing and detecting financial abused and error.

Portfolio Holder's Views

22. To be given at the meeting.

Contact and Email

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