

# HOUSING CABINET MEMBER MEETING

## Agenda Item 89

Brighton & Hove City Council

**Subject:** Tenancy Fraud Policy  
**Date of Meeting:** 1 December 2010  
**Report of:** Strategic Director Place  
**Contact Officer:** Name: Helen Clarkmead Tel: 293271  
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**Key Decision:** No  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 Tenancy fraud can take a variety of forms; the most common being unlawful subletting, and obtaining a council property by deception. This report sets out how Housing Management prevents, detect and resolve tenancy fraud, and includes our response to a recent Internal Audit review of how we deal with tenancy fraud.
- 1.2 The council received a government grant of £30k to use to improve the prevention and detection of tenancy fraud. This report proposes that part of this grant is used to introduce photographic tenant identification.

#### 2. RECOMMENDATIONS:

- (1) That the Cabinet Member for Housing agrees the action points arising from the Internal Audit report.
- (2) That the Cabinet Member for Housing agrees that the government grant is used to fund equipment to introduce photographic records of tenant identity for new tenants.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Tenancy fraud exists where the legitimate tenant unlawfully sublets their home, obtains a council property by presenting false information or claims succession rights by presenting false information. Tenancy fraud removes homes from the available housing stock that would otherwise be available to people in housing need.

- 3.2 A tenant is not permitted to sub let their home. A condition of secure tenancy is that the dwelling must be the main home of the tenant(s).
- 3.3 We will take action against tenants who sub let their home, and against those who obtain a council tenancy by deception.
- 3.4 We started a publicity campaign in the summer including posters, leaflets, articles in City News and Homing In.
- 3.5 Suspected tenancy fraud is reported through Internal Audit, who lead any investigation, working closely with tenancy management officers and the Housing Benefit Investigations Team, where appropriate. Residents who suspect tenancy fraud can report this by telephone to 01273 291700 or email to [anti-fraud@brighton-hove.gov.uk](mailto:anti-fraud@brighton-hove.gov.uk)
- 3.6 Officers have received specialist document verification training and are well equipped to detect false documents. Further training around the detection of unlawful subletting is planned in the autumn.
- 3.7 An important aspect of detecting tenancy fraud is verification of a tenant's identity. It is proposed that photographic identification of tenants is held on file and on the tenancy management computerised records system. This will better enable officers to verify if someone presenting as the tenant is actually the legitimate tenant. Tenant photographs will be taken at application or tenancy sign up, and verified, where possible, against formal photographic identification – for example a passport. Photographs will be held securely and under the terms of the data protection act. Having a photograph will not be a condition of the tenancy.
- 3.8 Officers undertake tenancy checks on a routine planned basis, including the verification of identity. Where fraud is suspected, these take place on an unnotified basis and at various times.
- 3.9 There is regular information sharing and data matching to highlight potential tenancy fraud. This will be further enhanced by the collection of National Insurance numbers.
- 3.10 The council's Internal Auditors completed a review of Housing Tenancy Verification in July 2010. A summary of recommendations, agreed action and progress is attached as an appendix to this report.
- 3.11 The Housing Management team are working very closely with internal Audit and are considering proposals to participate in 2 more projects.
- National Anti Fraud Network – to run a pilot carrying out a data matching exercise with Experian.
  - National Fraud Authority are considering using our department as a pathfinder as an example of good practice

#### **4. CONSULTATION**

- 4.1 This report was presented to Housing Management Consultative Committee on 8 November 2010. HMCC welcomed the report and an indicative vote recommended that the Cabinet Member for Housing agrees the recommendations as set out above.
- 4.2 Tenancy Management Focus Group agreed that tenancy fraud needs to be prevented and robustly managed where identified. The group generally supported the measures outlined in this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The cost of introducing photographic tenant identification is approximately £15,000 which will be met from the government grant of £30,000, which was received for the purposes of the prevention and detection of tenancy fraud. The ongoing annual costs of producing photographic identification will need to met from within existing Housing Revenue Account budgets.

*Finance Officer Consulted: Susie Allen*

*Date: 08/09/10*

- 5.2 Subletting of part of a property is not unlawful, as long as a secure tenant has the landlord's written consent. If the whole of a property is sublet, security of tenure is lost (section 93 Housing Act 1985) and the landlord has the right to seek possession through the courts. Where a tenant has obtained a council property by deception, the landlord can seek a possession order in the county court as long as it can prove that it was induced to grant the tenancy by a false statement made knowingly or recklessly by the tenant or a person acting at his instigation. This ground for possession is not widely used.

*Lawyer Consulted: Liz Woodley*

*Date: 08/09/2010*

##### Equalities Implications:

- 5.3 A robust and effective approach to tenancy fraud will ensure property is available to people in need

##### Sustainability Implications:

- 5.4 There are no specific sustainability implications

##### Crime & Disorder Implications:

5.5 There are no specific crime and disorder implications

Risk and Opportunity Management Implications:

5.6 If a robust approach is not adopted, there is a risk that council property may be occupied by people who are not the legitimate tenants.

Corporate / Citywide Implications:

5.7 Robust corporate governance arrangements are essential to the sound management of the City Council and the achievement of its objectives as set out in the Corporate Plan.

**6. EVALUATION OF ALTERNATIVE OPTIONS**

6.1 This report is a response to an Internal Audit report, and as such considers each recommendation of that report in the main body and appendix. The alternative of considering Internal Audit recommendations is not feasible.

**7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 To effectively address tenancy fraud.

**SUPPORTING DOCUMENTATION**

**Appendices: Recommendations of 2010 Internal Audit report – Housing Tenancy Verification, agreed actions and progress.**

**Documents In Members' Rooms : None**

**Background Documents: None**