

<b>Subject:</b>	<b>Housing Tenancy Fraud Update Report</b>		
<b>Date of Meeting:</b>	<b>10<sup>th</sup> September 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Tony Barnard</b>	<b>Tel: 291330</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE.****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Corporate Fraud Team was set up on 1<sup>st</sup> June 2013 to tackle the main fraud risks that could affect the council.
- 1.2 Housing tenancy fraud represents one of the most significant areas of financial loss and harm from fraud to local government. It is estimated that the average cost to the public purse per case of housing tenancy fraud is £18,000 per annum (Audit Commission - Protecting the Public Purse 2013).
- 1.3 This report updates the Housing Committee on the work that has been undertaken so far this year in relation to tackling housing tenancy fraud and also informs the Housing Committee of initiatives that are planned for later in this financial year.

**2. RECOMMENDATIONS:**

- 2.1 That the Housing Committee notes the content of this report.

**3. CONTEXT/ BACKGROUND INFORMATION****Recovery of properties**

- 3.1 Five properties have been recovered since 1<sup>st</sup> April 2014. There were 4 cases where properties have been returned to council stock, two were as a result of keys being returned whilst the tenants were being investigated for suspected sub-letting and, in respect of the other two council properties, two tenants were evicted following successful completion of investigations into suspected sub-letting. The Corporate Fraud Team's remaining investigation related to a housing association property which was returned to their stock due to non-residency. There are many cases being actively investigated and it is hoped that further properties will be returned to the council housing stock during the remainder of the financial year.

### **Planned Sussex wide Tenancy Fraud Campaign**

- 3.2 A tenancy fraud campaign involving Local Authorities from both East and West Sussex was due to start on 1<sup>st</sup> September 2014. The cost per Authority based on all parties' participation was just over £1,000. The campaign was planned to run for nine weeks and would have consisted of short adverts on a local radio station.
- 3.3 Unfortunately, due to some Local Authorities either saying no or not responding to the proposed campaign, it cannot proceed as planned.
- 3.4 Instead, consideration is now being given to running the campaign at a later date.

### **National Fraud Initiative 2014**

- 3.5 The National Fraud Initiative (NFI) is a data matching exercise that is run every two years by the Audit Commission. Local Authorities from around the country submit their data via a secure data upload facility and reports are subsequently sent via the secure database to each individual Local Authority highlighting cases that may require further investigation.
- 3.6 The time has come for this exercise to take place again and one of the data sets that the council has been requested to supply is housing tenancy data.
- 3.7 NFI 2014/15 will be undertaken under the Audit Commission's data matching powers in Part IIA of the Audit Commission Act 1998.
- 3.8 The council is legally obliged to participate in this exercise and the date for the extraction of the data is 6<sup>th</sup> October 2014 with the reports of potential matches that may require further investigation due to be received on or around 29<sup>th</sup> January 2015.
- 3.9 The types of matching reports that are expected to be received that may require some form of investigation are as follows: -
- Housing tenants to Housing tenants within boroughs.
  - Housing tenants to Housing tenants between boroughs.
  - Housing tenants to In-country immigration.
  - Housing tenants to UK visas.
  - Right to Buy to Housing Benefit claimants.

### **E-Learning Fraud Awareness Training Package**

- 3.10 An E-learning fraud awareness training package is currently being developed for Members, Managers and staff by the Corporate Fraud Manager working in partnership with the council's Organisational & Workforce Development Team.
- 3.11 The aim of this fraud awareness package includes outlining what fraud is, what the key fraud risks are, how much it costs Local Government and what are the indicators that fraud may be occurring.

- 3.12 The awareness package will also include a short knowledge test to ensure that participants have understood the subject matter.
- 3.13 It is hoped that more fraud referrals will be received once the awareness training package has gone live which is expected to be by 1<sup>st</sup> January 2015.

#### **Tenancy Fraud Awareness Training 6<sup>th</sup>/7<sup>th</sup> August 2014**

- 3.14 Tenancy Fraud awareness training was provided to Housing staff on the above dates. This training was well received and has already led to further tenancy fraud referrals being received by the Corporate Fraud Team.

#### **National Tenancy Fraud Forum Conference 27<sup>th</sup> November 2014**

- 3.15 The national Tenancy Fraud Forum Conference is being held at the London Borough of Camden on 27<sup>th</sup> November 2014. Members of staff from the Corporate Fraud Team and Housing are scheduled to attend this conference.

#### **Tackling Tenancy Fraud Seminar – 30<sup>th</sup> September 2014**

- 3.16 Two members of the Corporate Fraud Team will attend the seminar which includes presentations on using the powers contained in the Prevention of Social Housing Fraud Act 2013 and effectively detecting and tackling tenancy fraud.
- 3.17 A debriefing session will be held with the staff attending the seminar upon their return in order to ascertain whether there are any points of good practice that can be implemented locally.

### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 This report provides an update as to what is currently being done to try and tackle the issue of tenancy fraud. This will be kept under constant review.

### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The council will be seeking to inform tenants of the proposed data matching exercise by placing a message about the National Fraud Initiative on the council's website and by placing an article in the Homing In magazine that is delivered to each tenant.

### **6. CONCLUSION**

- 6.1 The work currently being done to tackle housing tenancy fraud is outlined in this report.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The impact of bringing council properties brought back into use for eligible tenants awaiting housing could potentially reduce the cost to the council of housing tenants in bed and breakfast accommodation. The average cost of bed and breakfast is approximately £300 per week (of which half is paid through housing benefit). Therefore there could potentially be a small saving to the council/government from the reduced usage of bed and breakfast accommodation.

*Finance Officer Consulted: Susie Allen*

*Date: 27/08/14*

### Legal Implications:

- 7.2 As this report is for noting, there are no significant legal implications to draw to the Committee's attention.

*Lawyer Consulted: Liz Woodley*

*Date: 26/08/14*

### Equalities Implications:

- 7.3 None.

### Sustainability Implications:

- 7.4 None.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Further implications

### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. None.

Crime & Disorder Implications:

- 1.1 Tackling tenancy fraud will ensure that properties are only occupied by those in genuine need.

Risk and Opportunity Management Implications:

- 1.2 Risk and opportunity management implications are outlined in the report and will be kept under review.

Corporate / Citywide Implications:

- 1.3 There is a potential risk to the council's reputation if suspected tenancy fraud was not robustly tackled and this became widely known.