

Committee(s)	Dated:
Housing Management and Almshouses Sub (Community and Children's Services) Committee	22/07/2019
Subject:	Public
Social Housing Tenancy Fraud – 2018/19 Annual Report	
Report of:	For Information
The Chamberlain	

Summary

This report provides Members with an update on our Social Housing Tenancy Fraud activity during the 2018/19 reporting year. It also provides Members with an update against our key anti-fraud initiatives in this area.

In total, 25 successful tenancy fraud outcomes were secured during 2018/19, comprising of 16 cases where tenancies were surrendered following investigation, three criminal prosecutions, one civil recovery case, four housing application frauds and one right to buy fraud.

Where criminal and/or civil action was successful in tenancy fraud cases during 2018/19, £8,352 in costs were awarded and £36,268 was secured under Proceeds of Crime action.

Our support for the tenancy audit programme has resulted in the review of 105 referrals, with one leading to recovery of a property and a further 45 still under investigation.

The National Fraud Initiative (NFI) matches were released in January 2019 and work is underway to review and investigate the housing rents, housing application and right to buy matches. To date, two housing application frauds have been confirmed with an NFI value of £6,480.

The team recently participated in an NFI pilot exercise, where NFI datasets were matched against HMRC data to identify fraud, eight tenancy fraud matches reviewed so far from the pilot are expected to result in successful outcomes and our work has supported the Cabinet Office's business case for rolling out data matching against HMRC data for all NFI participants, nationwide.

Recommendation(s)

- Members are asked to note the report.

Main Report

Background

1. This report provides Members with an update on our Social Housing Tenancy Fraud activity during the 2018/19 reporting year. It also provides Members with an update against our key anti-fraud initiatives in this area.

Social Housing Tenancy Fraud

2. Social housing tenancy fraud remains a key fraud risk area for the City. The team provides full investigative support across all aspects of housing, from initial applications, to the investigation of tenancy breaches and right to buy screening.
3. During the reporting year, 25 successful outcomes have been secured, including the conclusion of two criminal prosecution cases at Inner London Crown Court, another at the City of London Magistrates Court and a defended possession case at Clerkenwell and Shoreditch County Court County Court. The associated value of these cases is £540,000.
4. In the cases mentioned above, where criminal and/or civil action was successful, £8,352 in costs were awarded, and £36,268 was secured under Proceeds of Crime action. The prosecution costs in these cases was greater than the amounts awarded to the City, and whilst costs submissions are made in each case, it is at the discretion of the courts as to whether full, partial or nil costs are awarded.
5. A summary of our work in this area, during 2018/19, is detailed in Appendix 1 to this report.
6. Where illegal occupation of City housing stock is identified and recovered, the tenancies have now been re-let to those in greater need of affordable housing.
7. The volume of Right to Buy (RTB) applications referred to the team for screening has dropped considerably. Through liaison with the Home Ownership Manager, we understand that there has been a significant reduction in RTB applications from tenants during 2018/19, this has resulted in a drop in identified RTB fraud to one case.
8. Case studies detailing several successful social housing tenancy fraud cases has been provided at Appendix 2.

Tenancy Audit

9. The Anti-Fraud team supported the Housing Division with the full tenancy audit programme undertaken throughout 2018/19. A training programme was devised and delivered to the visiting officers prior to commencement of the visits, and a crib sheet was produced to support visiting officers where fraud was suspected. The Anti-Fraud team likewise assisted with the drafting of the question bank in the questionnaire and ensured that skilled investigation staff were available on the City's estates as required to provide anti-fraud and investigation support.
10. Where tenancy fraud concerns were identified by visiting officers, these cases were referred to the team for investigation. In total 105 cases were referred to the team, and work continues to review and investigate a number of these referrals. A summary of our work to date in this area can be found below:

Tenancy Audit referrals received	105
Tenancy Audit referrals closed – no fraud	58
Fraud identified and property recovered	1
Fraud identified and case with C&CS for consideration of further action	1
Cases still under investigation	45
Total	105

National Fraud Initiative (NFI)

11. The NFI is a statutory bi-annual exercise, managed by the Cabinet Office and designed to identify fraud and error across departments including housing. Data matches for the current exercise were released in January 2019 and work is underway by the team to review the housing matches. A summary of the housing matches received and reviewed, to date, can be found in the table below.

Match Type	Housing Tenancy	Housing Application	Right to Buy	Total	Associated NFI Value
Matches Received	105	49	2	156	N/A
Matches Reviewed	60	29	0	89	N/A
Matches under Investigation	45	18	2	65	N/A
Fraud Identified	0	2	0	2	£6,480
			Total	156	

12. The Anti-Fraud & Investigation team continues to review, and support departmental review, of NFI housing matches as appropriate.

National Fraud Initiative (NFI) Pilot Exercise

13. The Anti-Fraud team were one of ten authorities to participate in an NFI pilot exercise, whereby several City of London datasets (Housing, Housing Benefit, Council Tax Support, Payroll, Direct Payments) were matched against HMRC data. The use of HMRC data for NFI matching purposes was permissible under the Digital Economy Act 2017, and it was, therefore, necessary, and important, for pilot authorities to work closely with the NFI team to feedback findings to demonstrate the value of the data-matching and justify roll-out to all NFI participants.
14. The City received a total of 105 additional tenancy matches as a result of the NFI pilot exercise. To date, 30 high risk tenancy matches have been reviewed, resulting in eight cases where successful outcomes are expected. The remaining lower risk tenancy matches are subject to investigation.

15. The results from the City's participation in the NFI Pilot, along with that of the other nine pilot authorities, has supported the Cabinet Office's business case to roll-out the HMRC data-matching to NFI participants, nationwide.

Conclusion

16. The team continue to provide a professional and robust anti-fraud and investigation service across the organisation. Tenancy fraud continues to be high risk and 25 successful results were secured in this area during the reporting year, with three successful prosecutions and one successful civil possession cases secured. £8,352 in costs was awarded and £36,268 was secured under Proceeds of Crime action in these four cases.

17. The team supported the housing divisions tenancy audit programme, receiving 105 referrals of suspected tenancy fraud, with 58 cases reviewed to date, one property has been recovered and one case is with the Comptroller and City Solicitor for consideration of further action. The remaining 45 referrals are subject to further review.

18. NFI matches were released in January 2019; 156 tenancy matches have been investigated to date, with two frauds confirmed with a value of £6,480. The team also participated an NFI pilot exercise whereby datasets were matched with HMRC data to identify fraud. This supported a successful business case by the Cabinet Office to roll-out HMRC matches to NFI participants, nationwide.

Appendices:

Appendix 1: Housing tenancy fraud caseload 2018/19

Appendix 2: Social housing tenancy fraud case studies 2018/19

Contact:

Chris Keesing,

Corporate Anti-Fraud Manager

E: chris.keesing@cityoflondon.gov.uk

T: 020 7332 1278