

Committee(s)	Dated:
Housing Management and Almshouses Sub (Community and Children's Services) Committee	30/09/2020
Subject:	Public
Social Housing Tenancy Fraud – 2019/20 Annual Report	
Report of:	For Information
The Head of Audit & Risk Management	

Summary

This report provides Members with an update on our Social Housing Tenancy Fraud activity during the 2019/20 reporting year. It also provides Members with an update against our key anti-fraud initiatives in this area.

A total of 16 successful tenancy fraud outcomes were secured during 2019/20 with an associated value of £476,600, this included 11 cases where sub-letting was identified, three housing application frauds and two fraudulent right to buy applications denied.

A shift in focus by the team has led to the recovery of a number of properties through tenancies being voluntarily surrendered following investigation, resulting in more efficient recovery and saving the financial costs and time commitment of civil recovery.

Two complex social housing tenancy fraud cases are with the Comptroller & City Solicitor for prosecution action; however, progress has been delayed in these cases owing to the closure of the courts during the coronavirus pandemic.

The team participated in an NFI pilot exercise where NFI datasets were matched against HMRC data to identify fraud. 79 referrals have been reviewed, resulting in the recovery of two social housing properties with four others still subject to a live investigation.

The City's Social Housing Tenancy Fraud Investigator ensures that a professional counter fraud and investigation resource is active on the City's housing estates by working to a rolling programme of activity which has assisted in raising fraud awareness and understanding of the fraud risks across the City's housing estates, whilst also encouraging the reporting of concerns for further investigation.

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 2019/20 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 continues to be 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. During the reporting year 16 successful outcomes have been secured; in the 11 cases where property has been successfully recovered, the Corporate Anti-Fraud Team have shifted focus to securing voluntary recovery. This has resulted in a faster and more efficient recovery process, allowing the City to allocate this housing to those in greatest need, whilst also saving the cost of legal action.
3. Two complex social housing tenancy fraud investigations are currently with the Comptroller & City Solicitor for prosecution action; one subject to crown court trial and another where a summons is to be served. It should be noted that in both of these cases progress has been delayed due to the Covid-19 pandemic and the courts being closed to all but the most urgent cases.
4. The associated value of our work in this area amounts to £476,600, and a summary of our social housing tenancy fraud investigations during the 2019/20 reporting year, is detailed in Appendix 1 to this report.
5. 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.
6. As a direct result of our social housing tenancy fraud investigations, the team has also identified five Council Tax discount frauds that are now subject to recovery of £1,027, along with the benefit of ongoing future additional revenue for The City through the full and complete receipt of Council Tax payments at these addresses.
7. Case studies detailing several successful social housing tenancy fraud cases have been provided at Appendix 2.

Best use of Resources

8. The team's Social Housing Tenancy Fraud Investigator now works to a rolling programme across the City's housing estates; this helps to ensure that a counter fraud and investigation presence is maintained across the City's estates and provides a professional resource to respond directly to concerns from staff and supports the upskilling of housing colleagues in identifying, reporting and knowing how to respond to social housing tenancy fraud.
9. During the year the team trialled the use of monthly reports, summarising our investigation activity to Estate Managers across all the City's Estates, along with Area Housing Managers and the Head of Housing, this new approach has supported an increase in awareness and understanding of the social

housing tenancy fraud risks faced by the City and has resulted in increased volumes of referrals from some estates.

National Fraud Initiative (NFI) Pilot Exercise

10. The City participated in an NFI pilot exercise during 2019/20, whereby City of London datasets including housing rents, housing benefit and council tax support were matched against HMRC data. The team's work in this area has focused on reviewing the social housing tenancy fraud matches, resulting in the successful recovery of two social housing properties with an associated value of £36,000.

11. A summary of our work on the NFI exercise can be found below.

NFI Pilot Exercise	Total	Break down
Total number of property ownership cases reviewed	14	
Property ownership cases closed with no further action		11
Property ownership cases properties successfully recovered		2
Property ownership cases prosecution action in progress		1
Total		14
Total number of household composition cases reviewed	64	
Household composition cases closed with no further action		62
Household composition cases under investigation		2
Total		64
Total number of right to buy fraud cases reviewed	1	
Right to buy fraud cases closed with no further action		0
Right to buy fraud cases under investigation		1
Total		1

Conclusion

12. 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 16 successful results were secured in this area during the reporting year, with an associated value of £476,600

13. The team participated in an NFI pilot and focused resources on social housing tenancy fraud, resulting in the recovery of two properties that may not have been identified through traditional investigations.

14. The City's Social Housing Tenancy Fraud Investigator ensures that a counter fraud and investigation presence is maintained across the City's estates and provides a professional resource to respond directly to concerns from staff by working to a rolling programme of estate activity.

15. A successful trial whereby housing management received monthly summaries of investigation activity across the City's housing estates has resulted in

increased volumes of referrals from housing colleagues. This practice is set to continue as part of our business as usual activity.

Appendices:

Appendix 1: Housing tenancy fraud caseload 2019/20

Appendix 2: Social housing tenancy fraud case studies 2019/20

Contact:

Chris Keesing,

Corporate Anti-Fraud Manager

E: chris.keesing@cityoflondon.gov.uk

T: 020 7332 1278