

Committee(s)	Dated:
Housing Management and Almshouses Sub (Community and Children's Services) Committee	09 October 2024
Subject: Social Housing Tenancy Fraud – 2023/24 Annual Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit	For Information
Report author: Chris Keesing, Counter Fraud & Investigations Manager	

Summary

This report provides Members with an update on our Social Housing Tenancy Fraud activity during the 2023/24 reporting year. It also provides Members with an update against our key anti-fraud initiatives in this area.

A total of nine successful tenancy fraud outcomes were secured during 2023/24 with an associated value of £665,606, in addition to this the team prevented six fraudulent housing applications from progressing and secured guilty pleas in three cases.

The team has focused strongly on developing its proactive counter fraud capacity and the use of 'big data'; this is now becoming successful in identifying tenancy fraud concerns for further investigation at an early stage.

The training provided has given housing colleagues improved skills and new tools to tackle all aspects of tenancy fraud and income recovery, and to ensure that where fraud is suspected, concerns are reported to the Counter Fraud team effectively, and in a timely fashion through our new electronic reporting mechanism.

Recommendation(s)

- Members are asked to note the report.

Main Report

Background

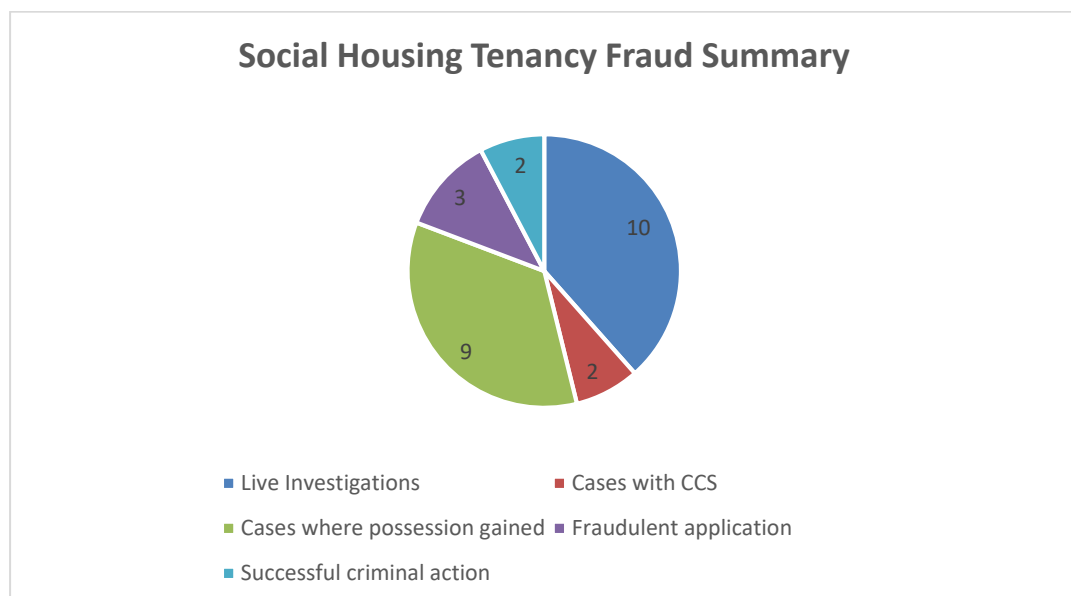
1. This report provides Members with an update on our Social Housing Tenancy Fraud activity during the 2023/24 reporting year. It also provides Members with an update against our key anti-fraud initiatives in this area.

Social Housing Tenancy Fraud

2. Social housing tenancy fraud remains a key fraud risk area for the City; the Counter Fraud team provides a full investigative response across all aspects

of housing, from initial applications to the investigation of civil and criminal tenancy breaches and right to buy screening.

3. The City, along with other London Borough housing providers have identified succession fraud as a growing fraud risk, with dishonest applications from family members, friends and acquaintances of deceased tenants increasing with the aim of securing a secured tenancy by 'jumping the queue'. The team has, therefore, had an increased focus over the past year on this fraud risk and moving forward will be assessing all succession applications for fraud in a similar fashion to the assessment work we provide for right to buy applications.
4. There has been a reduction of 25% in volume of tenancy fraud referrals from Housing Estates Officers during the year, and a substantial decrease of 90% in the volume of right to buy referrals, although this may, in some regard, be owing to the cost-of-living crisis and increases in interest rates, deterring tenants from exercising the right to buy.
5. An increased focused in the use of data analytics through the NFI and NFI Fraud Hub has provided a 20% increase in tenancy fraud investigations through data matching. Data matching is a key element of our programme of proactive counter-fraud activity, through this work we aim to identify fraud early. It stands to reason that early identification could naturally lead to a reduction in public referrals.
6. During the reporting year the team recovered nine tenancies, took criminal action in two cases and stopped three fraudulent housing applications from progressing. Two further cases are currently subject to criminal (1) and civil (1) action, of which one case is listed for trial in November 2024.
7. A detailed summary of our work in this area, during the 2032/24 reporting year vs the same period in 2022/23 can be found at Appendix 1 to this report and a summary of noteworthy cases is included as Appendix 2. A snapshot of the tenancy fraud position at 2032/24-year end can be found below.



8. The total associated value of identified fraud from the completed social housing tenancy fraud investigations during the reporting year amounts to £665,606. Housing application fraud is considered to be fraud prevention and as such, we have not attributed a savings value against these four positive outcomes.

Fraud Awareness Training & National Fraud Initiative (NFI)

9. A series of bite-sized learning sessions have been delivered by the team to housing colleagues during the reporting year; these focused on the following topics:
 1. **Tenancy Fraud Referral Process** – following investment in our electronic fraud case management system, we launched a new fraud reporting tool and smartphone app, enabling colleagues to report concerns conveniently and at the earliest opportunity. Training was provided to housing staff across a number of sessions, providing colleagues with the skills and capabilities to report detailed concerns effectively, ensuring important information was captured and included.
 2. **NFI AppCheck** – The NFI AppCheck is an application checker tool that can be used to identify and locate individuals through the use of NFI data. Colleagues are now competent and have been given access privileges to search the NFI database through the NFI AppCheck portal, this supports the work of the housing allocations teams, housing rents and recoveries teams and the housing estates teams, where it has been challenging to identify the whereabouts of tenants, or to verify the information provided.

Looking Ahead

10. The Counter Fraud team was successful in bidding to be part of the NFI pilot to match City of London housing data against credit reference agency, general record office deceased data, and known fraud data, we received 340 matches that are currently being reviewed by the team, with any matches deemed suitable for enhanced investigation raised in INCASE and formally investigated.
11. The team is working with housing management and the Comptroller & City Solicitor to overcome the challenges in gathering evidence in support of tenancy fraud cases where short-term lettings platforms have been utilised by tenants to profit from sub-letting their homes. We are exploring the use of Norwich Pharmacal Orders (a form of civil production order) that will require the short-term letting platform used to provide the City with information to support our investigations. We aim to pilot this over the coming months, after which we will consider the benefits.
12. The team is working with housing management on a tenancy fraud awareness campaign across our housing estates utilising awareness materials provided by the Tenancy Fraud Forum, such as posters, stationery and flyers etc, to raise the awareness of the risks and consequences of tenancy fraud. This campaign will use case studies from the successful work of the team and tenants will be encouraged to blow the whistle of tenancy fraud cheats by reporting concerns

to the Counter Fraud Team. We intend to support this campaign with articles in residents' newsletters.

13. A defendant in a City Corporation social housing tenancy fraud case is scheduled for trial at Southwark Crown Court on 04 November 2024, following a not guilty plea at the Magistrates court last November. We will report the outcome of this trial to Members as appropriate.

Emerging Risks

14. The team keep abreast of emerging risks through regional and national networks including the London Borough's Fraud Investigators Group (LBFIG), the National Anti-Fraud Network (NAFN), the National Fraud Intelligence Bureau, and CIFAS. Any intelligence reports relating to social housing related fraud is routinely shared with housing management and disseminated on a risk-based approach.
15. The continued cost-of-living crisis is placing further strain on personal finances and may result in some tenants considering opportunities to defraud public services for personal gain, whether that be for greed or perceived desperation; we have identified a growing risk in short-term lettings fraud and are working closely with legal colleagues to explore solutions to secure evidence to support these investigations.

Corporate & Strategic Implications

16. The work of the Team is designed around minimising the risk of fraud across all aspects of housing, from initial applications to the investigation of tenancy breaches and right to buy screening by providing a comprehensive counter fraud and investigation response with a clear focus on safeguarding the City's assets and recovering any losses due to fraud; this is underpinned by our Social Housing Anti-Fraud & Corruption Strategy, which gives due regard to the Corporate Plan. More frequent data-matching through the London Fraud Hub will help the team to identify fraud at an earlier stage, whilst empowering housing staff with the ability to undertake enhanced due diligence through the NFI AppCheck will help us to mitigate the risks of fraud at point of application.

Conclusion

17. The team continues to perform strongly in response to the risks of social housing tenancy fraud, identifying and responding to social housing tenancy fraud referrals and fraud risks, whilst ensuring that face to face training is delivered with measurable benefits to housing colleagues and to empower front line staff to identify and tackle fraud risks impacting the City's housing stock at the point of application. The recovery of properties lost to fraud enables the City to provide this good quality, affordable housing to those in the greatest need.
18. A strong focus during the 2023/24 reporting year has been on the use of 'big data' as we continue to develop the NFI, the NFI London Fraud Hub, and our proactive data matching capabilities and capacity to identify fraud both at the point of application, and at an early stage when found to be occurring on the City's estates.

Appendices:

- **Appendix 1 – Housing tenancy fraud caseload analysis, 2023/24 reporting year vs 2022/23.**
- **Appendix 2 - Social housing tenancy fraud investigations summary.**

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