

Committee:	Dated:
Housing Management & Almshouses Sub-Committee	25/04/2016
Subject: Tackling Social Housing Tenancy Fraud	Public
Report of: Director of Community & Children's Services	For Information
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Summary

This report provides Members with information of how the City of London (CoL) is investigating and tackling Social Housing Tenancy Fraud. It also provides an analysis of the cases investigated by the Anti-Fraud & Investigation Team during the 2015/16 financial year.

Working closely with the Chamberlain's Anti-Fraud & Investigation Team, we have successfully recovered 15 illegally sub-let CoL social housing properties during the 2015/16 reporting year. Four of these cases are currently with the Comptroller and City Solicitor for criminal prosecution.

Two fraud preventative measures have been introduced to strengthen the City's due diligence activity in the social housing and right to buy application processes, with positive outcomes already obtained.

Positive liaison was recently carried out with colleagues from the Home Office Immigration Team, with an outline specification to undertake a joint exercise to identify social housing tenancy fraud and 'no recourse to public funds' fraud.

Recommendation

Members are asked to note the report.

Main Report

Background

1. This report provides Members with key information regarding the work that the Housing Service, along with colleagues from the Chamberlain's Anti-Fraud and Investigation Team, is conducting to reduce fraud within our social housing provision.

Social Housing Tenancy Fraud

2. Social Housing Tenancy Fraud continues to be a high fraud risk area. Officers from the Housing Needs, Benefits, Estate Management Teams and the Anti-Fraud & Investigation Team continue to support each other to identify and investigate possible cases of fraud across all aspects of the housing service.
3. Checks carried out include those at initial housing application stage, through to civil/criminal investigations into breaches of existing tenancies. Successes in this area of work include:
 - a) Nine cases where subletting has been identified;
 - b) Two cases where the property has been abandoned;
 - c) Three cases where other social housing tenancy fraud was identified e.g. ownership of private property or holding a social housing tenancy elsewhere or where the tenant has no recourse to public funds;
 - d) One case of fraudulent succession.
4. Of the above, four cases are progressing with the Comptroller and City Solicitor for criminal prosecution owing to the severity of the frauds committed. Successful prosecutions are publicised as a deterrent exercise, in line with our Social Housing Fraud – Anti-Fraud & Prosecution Policy.

Housing Application Fraud

5. The Housing Needs Team checks every application eligible for inclusion on the Housing Register through the National Fraud Initiative (NFI) Application Checker. The NFI Application Checker is an on-line tool that checks data provided by applicants against data held by other local authorities nationwide to aid the assessment of all new housing applications, and to prevent and detect fraud. This will immediately determine whether the applicant, or any declared member of their household, has a social housing tenancy.
6. This process also identifies whether the applicant has no immigration status and/or is claiming single person discount for Council Tax. Any positive checks are reviewed by the Chamberlain's Anti-Fraud & Investigation Team.
7. Since November 2015, when the NFI Application Checker was introduced, the Housing Needs Team has checked 97 applications, of which 44 are currently being reviewed by the Anti-Fraud & Investigation Team. Not every application that flags areas of concern turns out to be fraudulent - it may be indicating that applicants have an application with another authority, but would not necessarily preclude an entitlement to apply for housing with the City of London. 10 fraudulent housing applications have been identified to date as a direct result of the NFI Application Checker.
8. The Housing Needs Team has additionally cancelled two further social housing tenancy applications following information received from the NFI checks. One applicant claimed to be a private housing tenant, whereas she

was the co-owner of the property and another applicant claimed to be living with a partner when in fact they were claiming single person discount.

9. The Housing Needs Team is also undertaking housing visits on all applications which show a high level of priority. This is to confirm that the applicants are living in the circumstances they claim. Visits are also undertaken to applications which are identified as having a level of concern, following initial processing, or where we need more detail about the household's living conditions.

Role of Housing Benefits Team in identifying tenancy fraud

10. The Benefits Team takes proactive steps to identify any indication of tenancy fraud at all stages of the life of a benefit claim.
11. All new claims for Housing Benefit are checked against the rents system to identify that the claimant has a liability to pay rent. If there is a suggestion that the tenant doesn't live at the property, estate staff are notified. During the past year, a member of the Benefits Team identified, during an interview with a private tenant, that the landlord was a social housing tenant who was illegally subletting his property. The tenant was evicted from the property.
12. Benefit claims are reviewed on a regular basis and estate based staff are advised of any discrepancies that are noted. High risk claims are cross checked against the housing application to ensure that those declared on the benefit claim form match those declared on the housing application.
13. Recently, concern was raised about a subletting issue that was identified by cross checking information declared on a Housing Benefit claim against information held on Department of Work and Pensions (DWP) systems. Further investigation identified that the property, a studio flat, was being sublet to a family. The tenant is now in the process of being evicted from his property.
14. Since November 2014 Housing Benefit fraud has been dealt with by the DWP under the Single Fraud Investigation Service (SFIS). The SFIS is one service covering all welfare benefit fraud. Any cases of Housing Benefit fraud identified by SFIS that might involve tenancy fraud are notified to the City of London. In turn, this information would be passed on to estate staff to take appropriate action.

Right to Buy Fraud and Tenancy Inspections

15. In addition to the NFI application checker referred to above, the Anti-Fraud & Investigation Team also assisted with the introduction of a further due diligence measure in response to increased risk of fraud around the Right to Buy (RTB). A new, additional RTB form is now being used and forms a key part of the RTB application process.
16. This new form ensures that key information is gathered which assists the City to process RTB applications and ensures that only those that are eligible for

the RTB proceed. To further support this process, the Anti-Fraud & Investigation Team undertake enhanced verification checks for each RTB application, with those indicating concern proceeding to full investigation by the team.

17. The Estate Management Team continues to undertake its programme of tenancy inspections across all the City's housing estates; this activity provides a further visual presence and acts as deterrent to those who may be considering sub-letting their homes. Any concerns identified during a tenancy inspection are reported to the Anti-Fraud & Investigation Team for investigation.

Overall tenancy fraud detection rates 2015/16 and notional values

18. The chart below provides a detailed analysis of the number of social housing tenancy fraud cases successfully concluded by the Anti-Fraud & Investigation team during the 2015/16 financial year, showing fraud types along with the notional value of concluded cases.

Fraud Type	Completed Investigations 2015/16	Notional Value (£)	Investigation Value 2015/16 (£'s)
Social Housing Tenancy Fraud	15	18,000 per property	270,000
Right to Buy	1	103,000 per RTB	103,000
Housing Application Fraud	10	18,000 per application fraud	180,000
Total	26		553,000

19. The notional values associated to social housing tenancy fraud are nationally accepted, devised by the former Audit Commission's Counter Fraud Team's academic research of the cost of social housing tenancy fraud to the sector. This research, which formed part of the Protecting the London Public Purse 2015 report calculated a national average cost of housing a family in temporary accommodation for the period of one year at £18,000.

The notional value associated with right to buy fraud reflects the current discount that tenants are entitled to receive from the City of London Corporation following a successful right to buy application.

Proactive Anti-Fraud Activity (Home Office)

20. The Anti-Fraud Manager met with a Chief Immigration Officer from the Home Office Immigration Enforcement team in January in order to explore a joint working initiative to tackle social housing fraud and No Recourse to Public Funds (NRPF) fraud across the City's social housing estates. A joined up approach to tackling this fraud risk for the City Corporation will enable us to take robust action against those abusing the City's social housing stock, whilst

colleagues from the Home Office Immigration Enforcement can take appropriate action against those who do not have the right to remain in the UK or to obtain support from public funds. A fraud drive proposal has been agreed and it is proposed that the exercise will start from April 2016.

Whistleblowing

21. The City of London Corporation undertakes periodic publicity campaigns to raise awareness with residents and the public that they are able to report suspected cases of tenancy fraud (anonymously if they wish). A dedicated fraud hotline and email address, maintained by the Anti-Fraud & Investigation Team is in place to enable reporting of concerns; likewise the City's Whistleblowing Policy provides an alternative avenue for reporting concerns directly to the City of London.

Conclusion

22. The City of London Corporation has a joined up approach to tackling social housing tenancy fraud; successful investigations have returned 15 social housing tenancies, this reporting year alone, that were either obtained by deception or being fraudulently abused, and have now been let to those in greater need. Recently introduced fraud initiatives in the housing application and RTB processes further strengthen the City's response to fraud in these areas with positive outcomes. The Benefits Team, whilst adapting to the introduction of the SFIS is committed to supporting the prevention and detection of social housing tenancy fraud.

Appendices

- None

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