



**Corporate Services & Partnerships Policy  
Overview Committee  
Review Scoping Report 2014/15**

***Social Housing Fraud***

**1. REVIEW OBJECTIVES**

**Aim and background to review**

To examine the work which this Council carries out in relation to the detection of social housing fraud and to investigate other measures which could be used to save this Council money and to recover social housing which was being fraudulently used.

**Terms of Reference**

1. To review the current extent of social housing fraud within the Borough.
2. To assess the legislative framework which has been set up to tackle the problem of social housing fraud.
3. To examine the initiatives which the Corporate Fraud Investigation Team is involved in to tackle social housing fraud.

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4. To assess the cost benefits to the Council of the detection of social housing fraud.
5. To examine the joint working which takes place between the relevant agencies and Council services to ensure early detection of social housing fraud.
6. To examine best practice either in the private or public sector which could be used by this Council.
7. To report to Cabinet on any recommendations which arise out of the review.

## **2. INFORMATION AND ANALYSIS**

### **Strategic context**

The Government estimates that at least 100,000 social housing properties are the subject of housing fraud. In response to this, the Government has introduced the Prevention of Social Housing Fraud Act and made almost £10m available to tackle the issue.

This legislation had seen tenancy fraud become a criminal matter and local authorities have the power to prosecute those who unlawfully sublet their social housing.

The Act applies to social housing tenants and introduces two new criminal offences. Firstly, where the tenant sublets or parts with possession of a property or ceases to occupy knowing that it is a breach of tenancy. The second, more serious offence, is where a tenant dishonestly, in breach of tenancy, sublets without consent and ceases to occupy the property as their only or principal home.

The first offence only requires knowledge that the tenant sublet their home in breach of their tenancy agreement, the second requires proof this was done dishonestly.

The maximum penalty for the first offence is a fine of up to £5,000. The second, more serious, offence is punishable by a jail sentence of up to 2 years and/or a fine of up to £50,000. The Court also has the power to make "unlawful profit orders" that require the tenant to pay back any profits "the court considers appropriate".

In addition, local authorities have been given more powers to investigate social tenancy fraud by enabling better access to data from banks, building societies, telecoms companies and utility companies.

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### **Key Information**

With upwards of almost 1.7 million households on the waiting list for social housing and around 250,000 social households officially classed as overcrowded, social housing fraud needs to be stopped.

Many social landlords, including this Council, are increasing their efforts to stop fraud in their housing stock, and as a result more social homes have been recovered for their proper use. Whilst this progress is encouraging, the Government wants local authorities to do more to prevent and stop social housing fraud.

Preventing people from engaging in social housing fraud would reduce the number of unlawfully occupied social homes and free up more social housing for those in genuine need. This would be achieved by deterring people from engaging in social housing fraud, incentivising those already committing fraud to stop and making it easier for social landlords to detect and evict those who continue to commit fraud.

### **What's happening in Hillingdon?**

The Council's Social Housing Fraud Project commenced in October 2010 and was initially targeted at registered Council tenants who were either sub-letting the property or were not resident and properties were empty. Since the commencement of the project 177 properties have been recovered and re-let to people with genuine housing need.

The Audit Commission, in their report 'Protecting the Public Purse 2014' estimated that nationally it costs councils on average £18,000 a year for each family placed in temporary accommodation.

From April to November 2014 applying the Audit Commission 'Protecting the Public Purse' guidelines equates to a saving of £684,000 in Hillingdon through the detection.

The review will find out about projects which are taking place to improve detection rates and provide more savings to the Council.

### **Responsibilities**

The Council's Corporate Fraud Investigation Team is responsible for investigating social housing fraud and work closely with the Council's Housing Service and Revenues and Benefits.

### **Current intelligence, best practice and research**

Case studies will be provided during the review to highlight the work which is being carried out within Hillingdon

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In January 2012, the Government published a consultation paper on proposals to reduce the incidence of fraud relating to social housing in England.

The summary of responses to the consultation and next steps can be found here

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8408/2179472.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8408/2179472.pdf)

### **3. WITNESS EVIDENCE & ENQUIRY**

#### **Witness testimony**

Garry Coote - LBH Corporate Fraud Investigation Manager  
Team investigators from Corporate Fraud Investigation Team  
Officer from Council's Legal Services team  
Representatives from other social landlords  
Investigators from other local authorities  
A relevant officer from the Department for Communities and Local Government

#### **Key information required**

Statistics and data on the extent of the potential fraud in this area  
Cost effectiveness of investigations  
Potential savings for the Council  
Best practice from other organisations.

#### **Lines of enquiry**

1. What advice is given to social housing tenants on the rules of their tenancy and how often is it given?
2. What is the likely impact of social housing fraud on the availability of social housing?
3. What is Hillingdon doing to ensure that social housing provided in the Borough is lawfully occupied?
4. What practices and processes are used to gauge the extent of social housing fraud and is it cost effective?
5. What examples are there of joint working between Council services and other agencies to mitigate against social housing fraud?

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6. How successful has the Council been in terms of prosecutions?

6. What publicity is given for residents of the Borough to "whistle-blow" and identify fraudsters in their neighbourhoods?

**4. REVIEW PLANNING & ASSESSMENT**

<b>Meeting Date</b>	<b>Action</b>	<b>Purpose / Outcome</b>
8 January 2015	Presentation from Corporate Fraud Investigation Manager	Information and analysis
5 February 2015	Draft Scoping Report  Witness Session 1  Investigators from Corporate Fraud Team	Evidence & enquiry
12 March (date to be changed) 2015	Witness Session 2	Evidence & enquiry
28 April 2015	Draft Final Report	Proposals – agree recommendations and final draft report