

SECOND MAJOR REVIEW - SOCIAL HOUSING FRAUD

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REASON FOR ITEM

To be given a presentation from the Deputy Principal Lawyer for Housing on the work which is carried out by this Council in relation to social housing fraud.

OPTIONS OPEN TO THE COMMITTEE

- 1. The Committee is asked to receive the information provided in the presentation and ask for clarification or further information if required to help with the review.**

BACKGROUND

1. At the last meeting of the Committee held on 5 February 2015, the Committee was provided with presentations from two Investigators from the Corporate Fraud Team. Details of the activities which the Team was involved in were reported to the Committee and helped form part of the evidence of the review.
2. Reference was made to the close working which took place with legal services, to enable the Council to investigate cases of social housing fraud and to take tenants to court.
3. Members will recall that it is estimated that at least 100,000 social housing properties are the subject of housing fraud. In response to this, the Government introduced the Prevention of Social Housing Fraud Act and made almost £10m available to tackle the issue. The legislation has seen tenancy fraud become a criminal matter and given local authorities the power to prosecute those who unlawfully sublet their social housing.
4. 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.
5. 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".

Serious Housing Fraud

6. On 1 August 2014, the Leader of the Council and the Deputy Chief Executive and Corporate Director for Residents Services agreed the following as clarification to the Council's approved Anti-Fraud Strategies and Policies.
7. "Hillingdon Council has a 'zero tolerance' approach to fraud. The Council undertakes a robust programme to detect and investigate housing fraud and applies sanctions and recovery procedures where fraud is identified.

In cases of serious housing fraud Hillingdon will consider legal action in the form of prosecutions against offenders. Convictions for housing fraud frequently result in significant sentences or fines.

The types of serious housing fraud that could be pursued to prosecution include:

- Evidence of the presentation of false documents e.g. right to remain in UK documentation, false representation from landlords.
- Evidence of false representation of housing need by the housing applicant - it is established that the applicant does not have a genuine housing need. This could include failure to disclose alternative available accommodation and therefore the applicant is not homeless and the Council has no duty to provide housing.
- There is evidence that the offence was premeditated.
- There is evidence that the offence was carried out by an organised group.
- Evidence of habitual false information on application forms
- The housing applicant has previous Convictions or Cautions which are relevant to the present offence."

8. Sarah Glazebrook, the Council's Deputy Principal Lawyer for Housing will attend the meeting and provide the Committee with details of the legislative framework around social housing fraud.

Appendix A - Scoping report