

Second Major Review - Social Housing Fraud

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REASON FOR ITEM

To discuss the evidence which has been received by the Committee during the review and to give consideration to suggested recommendations.

OPTIONS OPEN TO THE COMMITTEE

- 1. To consider the evidence which the Committee has received during the review and to suggest recommendations for Officers to take forward.**

BACKGROUND

1. On 8 January 2015, the Committee began a review into Social Housing Fraud. Further witness sessions took place on 5 February and 19 March 2015 when the Committee received evidence from the following witnesses:

- Garry Coote - LBH Corporate Fraud Investigations Manager
- Niamh Hall - LBH Investigator - Corporate Fraud Team
- Debbie Leather - LBH Investigator - Corporate Fraud Team
- Sarah Glazebrook - Deputy Principal Lawyer - Housing

Objectives of the Review

2. The aim of the review was 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.

Reasons for the Review

3. The Committee was informed that 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 needed to be stopped.
4. 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. The review undertook to look at the work which this Council's Corporate Fraud Team was already doing and making suggestions which would boost detection rates or provide preventative measures to reduce fraud.

5. 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?

6. The Council's Social Housing Fraud Project commenced in October 2010 and since the commencement of the project 177 properties have been recovered and re-let to people with genuine housing need.
7. 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.
8. 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.

A summary of the evidence

9. For this meeting, Members and officers will look at the evidence received during the review and to look at possible recommendations. For Members information the evidence which was considered at the three meetings is detailed below:-

8 January 2015 meeting

- "Social Housing Fraud related to the abuse of the allocation and occupancy of a Council owned property. Offenders could be either sub-letting their property, living elsewhere or claiming to be homeless when they were not. Therefore, the tenure or homelessness application would be fraudulent and the registered tenant or applicant would not have a genuine housing need.
- The Committee was informed that in October 2013 the Government passed legislation to criminalise sub-letting fraud. On conviction, tenancy fraudsters faced up to two years in prison or a fine.
- Members were informed that Hillingdon would use these powers to prosecute suitable cases. Reference was made to the Council's publicity on this which included "blow the whistle on Housing Cheats" posters which appeared in every issue of Hillingdon People. This had helped to generate calls to the Council's fraud hotline, and all such referrals were fully investigated by the Council.
- In addition, examples of case studies which involved social housing fraud were publicised in Hillingdon People and these articles often described the improved quality of life for Hillingdon residents who had been allocated the tenancy of a recovered property. Members were informed that this generated positive feedback from residents and encouraged the reporting of suspected social housing fraud.
- The Committee was informed that the Social Housing Fraud Project had commenced in October 2010 and had been initially targeted at registered Council tenants who were

either sub-letting the property or were not resident, and therefore, the properties were empty.

- Members were greatly encouraged that since the commencement of the project 177 properties had been recovered and re-let to people with genuine housing need.
- Members were informed that the Audit Commission estimated that nationally it costs Councils on average £18,000 a year for each family placed in temporary accommodation. Working on that basis the savings to date for the 177 recovered properties was £3,186,000.

The Team

- The team currently comprised of two full time Housing Investigation Officer Posts, one part-time Visiting Officer, administrative support and the Corporate Fraud Investigator Manager. The Committee would receive evidence from members of the Team during the review.
- The Project Team met every week to review cases and to agree the appropriate course of action and a Legal Officer attended these meetings.
- Members were provided with a brief summary of some of the data systems which the Team could access to carry out investigations but greater detail would be provided on these during the review.

Current work

- Officers were currently working with a credit reference agency (Experian) to data match all Hillingdon's housing tenancy records with credit reference data. These matches would identify if tenants were linked to another address other than their Council property, if they had a mortgage for a different address, or if there were people other than the registered tenants living at the property.
- From August 2014 Corporate Fraud Officers had been working with Housing Needs reception staff to carry out enhanced checks and verification of people's homeless status. This work had ensured resources had only been allocated to residents with a genuine housing need.
- Reference was made to other projects which included a bungalow project whereby 520 had been visited, and 5 had come back as being non-occupation. Tower blocks within the Borough would also be an area which would be investigated.

5 February 2015 meeting

Investigations

- The Committee was informed that the Team received referrals from the Fraud hotline and from a variety of sources both within the Council, and outside the Council such as from Council contractors. For example contractors who were working on behalf of the

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Council made the Team aware if there had been suspicions regarding the occupants of a property.

- Records were checked against the electoral register, Council Tax and Housing Benefit records. Members were informed that intensive and varied visits took place to check occupants of social housing and these visits took place at anytime during the day, evening and at weekends. The Team worked flexible hours to enable visits to be made to homes when occupants were likely to be at home, which proved the commitment of the Team.
- The Committee was provided with examples of the meticulous detail which the Investigators went to in terms of their investigations and Members were informed that in the majority of cases the actions of officers would be enough to either close cases because no further action was required.
- The Committee was informed that after three visits, investigations would be stepped up. There would be more IT checks and tenants could possibly be invited into the Council offices for an informal meeting. Members were informed that at this meeting, a tenant would be informed that housing fraud was a criminal offence and that a breach of tenancy was a civil offence.
- If tenants were adamant that they did live at the property, they would be asked to provide evidence in the form of bank statements, utility usage statements etc. Tenants would be advised to seek independent legal advice and the Council would write a Data Protection Act request to other agencies or local authorities.
- The Committee was informed that throughout an investigation officers within Housing, Council Tax and Housing Benefits were kept informed of anything that could impact on the person concerned claim or increased rent arrears.
- Members were informed that once a strong case had been built by the Council, it was hoped that the tenant would hand back the keys to the social housing property.
- Reference was made to weekly meetings which took place within the Corporate Fraud Team where advice was provided by a solicitor from Legal Services on the course of action to be taken based on the evidence which the Council had. This legal advice was vital in terms of making decisions on whether to progress further with investigations.
- Members were informed that if a case did go to court and trial, Investigating Officers attended court to provide evidence. If the court case was successful and a bailiff's warrant was obtained, Investigation Officers would attend the eviction to ensure that the property was ready to hand over to lettings to enable the property to re-house another family.

Sub-Letting

- Discussion took place on those social housing properties which had been found to be sub-let and Members were informed that there were cases where the tenant had been unaware that they had been renting a social housing property. The Committee was

given assurance that these victims were given professional support and advice from the Council's Housing Options Team to enable them to find suitable accommodation.

- Members were provided with case study examples of investigations which had taken place and the detail and work which was carried out by officers to investigate.
- Discussion took place on possible measures which could be introduced by the Council to make unsuspecting sub-letters aware of social housing properties.
- Officers were asked to look into means of subtly branding social housing to enable unsuspecting sub-letters to know that the property was Council owned.
- Officers were also asked to look into whether a list of Council property could be provided for public inspection.
- In addition, Members asked about the Council applying for Compensation Orders for sub-letters during court prosecutions.

Use of Social Media and information from other agencies

- The Committee was informed that Investigators also used tools such as Facebook and other Social Media, Google searches, 192.com and Gum Tree to investigate potential fraudsters.
- Liaisons took place with many outside agencies, Citizen Advice Bureaus within prisons, other fraud teams within other local authorities, housing associations, charities etc.
- Reference was made to internal liaison which took place within the Council and examples were given of the work which took place with the Education Team, Social Services, Mental Health Team, Anti Social Behaviour Team, Housing Teams and Democratic Services Registrars.

Other Initiatives

- Members were also informed of some of the work which had been carried out in some of the Council's tower blocks and bungalows. The work on these schemes provided good publicity for the work being done and would also act as a preventative measure for any would be fraudsters.
- Great emphasis was placed on working closely with residents on the schemes as this collaborative approach often provided Investigators with important information on suspected fraud.
- Members made reference to possible work which could take place with hospitals, colleges, universities and officers would look at these areas.

Promotion and publicity

- Members were informed that the Social Housing Fraud project was promoted widely, with "Blow the whistle on Housing Cheats" posters appearing in every issue of Hillingdon People, which helped to generate calls to the Council's fraud hotline.
- Examples of combating social housing fraud were also publicised in Hillingdon People. These articles often described the improved quality of life for Hillingdon residents who had been allocated the tenancy of a recovered property. This generated positive feedback from residents and encouraged reporting of suspected social housing fraud.
- Reference was made to the Team promoting the social housing fraud work which was taking place at resident's association meetings from April 2015 as part of the forward work programme.

19 March 2015 meeting

- Members were informed that in relation to allegations of social housing fraud, her primary responsibility in the Social Housing Fraud project was to recover property for the Council which was being fraudulently occupied, and to re-allocate to those people on the waiting list.
- The Committee was informed that consideration was given to whether cases were suitable for prosecution.
- Reference was made to the Prevention of Social Housing Fraud Act which had given local authorities the power to prosecute those who had unlawfully sublet their social housing. The law related to social housing tenants and introduced two new criminal offences; where tenants had sublet or had parted with possession of a property or ceased to occupy knowing that it was a breach of tenancy. The second, more serious offence was where a tenant had dishonestly and in breach of tenancy, sublet without consent and ceased to occupy the property as their only or principal home.
- Members were informed of the difficulties which the local authority had in proving breach of tenancy and dishonest sub-letting, but that it was slightly easier to bring possession proceedings. This was because the Council would be able to include multiple grounds and provide evidence of the practical steps that could be taken by officers to identify and evidence non-occupation / sub-letting cases.
- The Committee noted that the Council's officers were meticulous in their recording of notes of cases which were important for building up a body of evidence.
- Reference was made to tenants under their tenancy agreements, having the right to take lodgers in their homes, provided they had sought the permission of the local authority. Permission for this was subject to the individual circumstances of the tenant and if the property would not be overcrowded if there was to be a lodger.
- Discussion took place on tenancy agreements and Members were informed that the terms and conditions of agreements were not reviewed annually but were reviewed periodically every five years or so. Reference was made to the terms and conditions of tenancy agreements and the requirement for these to be clearly and concisely

communicated to tenants. Members asked that consideration be given to tenancy agreements being witness countersigned to ensure that terms and conditions were clearly understood and communicated clearly to all social housing tenants.

- The Committee also asked that consideration be given to providing reminders to tenants on terms and conditions on an annual basis which would re-enforce the message and provide an evidence base for courts in any prosecutions that the tenant had been made aware of their tenancy agreement requirements.
- Reference was made to the need for magistrates to understand fully the complexity of social housing and the issues which confronted local authorities as social housing landlords. It was suggested that the offer of training should be given to magistrates.
- The Committee was made aware of the policy statement on serious housing fraud which had been agreed by the Leader of the Council which added further clarification to the Council's approved Anti- Fraud Strategies and Policies. In this, reference was made to Hillingdon Council having a zero tolerance approach to housing fraud.
- Members suggested that a more general policy could be developed which could provide a framework for the Council to prevent, identify and address social housing fraud with the Council's social housing stock. Officers were asked to give consideration to this.