

CORPORATE SERVICES & PARTNERSHIPS POLICY OVERVIEW COMMITTEE: *REVIEW INTO TACKLING SOCIAL HOUSING FRAUD*

Cabinet Member	Councillor Ray Puddifoot MBE
Cabinet Portfolio	Leader of the Council
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Papers with report	Corporate Services & Partnerships Policy Overview Committee review into Tackling Social Housing Fraud

HEADLINE INFORMATION

Purpose of report	To receive the Corporate Services & Partnerships Policy Overview Committee's review into tackling Social Housing Fraud and to give consideration to the recommendations of the review.
Contribution to our plans and strategies	Putting Our Residents first; <i>Our People</i>
Financial Cost	None
Relevant Policy Overview Committee	Corporate Services & Partnerships
Ward(s) affected	All

RECOMMENDATIONS

That Cabinet welcomes the Committee's findings from their review into tackling Social Housing Fraud and agree the following recommendations from the Committee:

Policy Overview Committee Recommendations

- (1) That the Corporate Fraud Investigations Team be congratulated for the work they have carried out in relation to the detection of Social Housing Fraud and for the reclaiming of housing resources for residents of the Borough.
- (2) That officers be asked to approach other Registered Social Landlords (Housing Associations) which provide social housing for residents of the Borough to enable investigations to take place into any potential Social Housing Fraud.
- (3) That officers be asked to investigate those measures which were raised during the review to make unsuspecting sub-letters aware if they were about to rent a social housing property.
- (4) That consideration be given to the Council applying for Compensation Orders when people are convicted of Social Housing Fraud, to enable compensation to be paid to the victims of this crime.

- (5) That officers be asked to consider witnesses counter-signing tenancy agreements for social housing tenants and to send annual reminders to tenants explaining their responsibilities under their tenancy agreements.
- (6) That training is offered by Council officers to local Magistrates on the complexities involved in social housing and on the issues which local authorities face as social housing landlords.
- (7) That officers be asked to include a Social Housing Fraud Policy within the Council's Anti-Fraud Strategies and Policies.

Reasons for recommendations

The recommendations of the review will enable the Council to improve the detection of social housing fraud which will save the Council money and recover social housing accommodation for those in most need.

Alternative options considered / risk management

The Cabinet could decide to reject some or all of the Committee's recommendations.

Supporting Information

The Council's Corporate Complaints Procedure

1. The aim of the Committee's 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.
2. The Terms of Reference of the review were as follows:-
 - I. To review the current extent of Social Housing Fraud within the Borough.
 - II. To assess the legislative framework which has been set up to tackle the problem of Social Housing Fraud.
 - III. To examine the initiatives which the Corporate Fraud Investigation Team is involved in to tackle Social Housing Fraud.
 - IV. To assess the cost benefits to the Council of the detection of Social Housing Fraud.
 - V. To examine the joint working which takes place between the relevant agencies and Council services to ensure early detection of Social Housing Fraud.
 - VI. To examine best practice either in the private or public sector which could be used by this Council.
 - VII. To report to Cabinet on any recommendations which arise out of the review. .

Officer Comments on Recommendations where relevant

Following the Committee's review, officers advise Cabinet that the Committee has made some positive recommendations to take forward and would support their implementation as set out below.

Recommendation 2:

The Committee asked that the Corporate Fraud Investigations Team build on their current success of identifying Social Housing Fraud within the Council Housing Stock and offer their services to Registered Social Landlords (RSLs) (Housing Associations) within the Borough.

The Committee was informed that one Registered Social Landlord called A2, had already been approached who had 1171 properties within Hillingdon. The Corporate Fraud Investigation Team would be data matching their records and working with them to investigate cases where there appeared to be an identified risk of fraud. The bonus for the Council would be that A2 had agreed that any properties recovered would be offered back to Hillingdon to let.

Further work could be carried out with other RSLs to promote the work of the Corporate Fraud Investigation Team and promote this new partnership approach to combating Housing Fraud. The more properties recovered would help reduce the associated costs of temporary accommodation and reduce the numbers on the waiting list and help those in most need of accommodation.

Recommendation 3:

The Committee was provided with details of examples of where people who had unsuspectingly rented social housing. These people were often the innocent victims of social housing fraud.

The Committee was provided with case study examples of investigations which had taken place and the detail and work which was carried out by officers to undercover fraud. Discussion during the review took place on possible measures which could be introduced by the Council to make unsuspecting sub-letters aware that they were in fact renting social housing.

These included looking at means of subtly branding social housing to enable unsuspecting sub-letters to know that the property was Council owned. This could be in the form of a sticker which could be placed on a utility appliance when an annual gas inspection for example has taken place.

Reference was made to the Council providing a list of social housing property within the Borough for the benefit of letting agents, estate agents and the general public. This could be a verification check for people looking to rent property within the Borough and could prevent the unsuspected sub-letting tenant.

Victims of sub-letting were given professional support and advice from the Council's Housing Options Team to enable them to find suitable accommodation. However, it was acknowledged that these people were more often than not, the innocent victims of Social Housing Fraud and often ended up losing vast amounts of money.

Recommendation 4:

Officers were asked to investigate whether the Council could apply for Compensation Orders against those people convicted of Social Housing Fraud which would enable compensation to be paid to the sub-letter, if they had been the victim of the crime.

The Council's Deputy Principal Lawyer for Housing has advised that when a defendant is convicted of an offence the Magistrates can make a compensation order when passing sentence. The order is intended to make the defendant compensate the victim of the

crime. A compensation order can either be a sentence in its own right or more commonly an additional part of the overall sentence.

Recommendation 5:

Social Housing Tenants have to sign a tenancy agreement when occupying social housing. When signing this agreement tenants should be made aware of the rules of their tenancy, of which sub-letting any part of their accommodation without the permission of their landlord is in contravention of that agreement.

Reference was made to the terms and conditions of tenancy agreements and the requirement for these to be clearly and concisely communicated to tenants. There was a need for the "dos and don'ts" of renting social housing, to be clearly and regularly communicated to tenants. This would re-enforce the Council's case, should a social fraud case come before the Courts.

Consideration could be given to tenancy agreements being countersigned to ensure that social housing tenants were aware of their tenancy legal obligations. A witness countersigning this would strengthen the Council's position in terms of communication of the terms of a tenancy agreement and would help in possible court proceedings.

Officers would investigate the feasibility of this and other measures which could be used to re-enforce tenant's responsibilities under tenancy agreements.

Recommendation 6:

The Council's Deputy Principal Lawyer for Housing explained to the Committee that it was important for magistrates to understand fully the complexity of social housing and the issues which confronted local authorities as social housing landlords. This training could be helpful for the Council in terms of providing a greater understanding around this area. Officers would write to the magistrates' courts offering training.

Recommendation 7:

The Council's Anti-Fraud Strategies and Policies were in the process of being updated and the inclusion of a specific Social Housing Fraud Policy within this would provide a stronger legal framework for the Council to prevent, identify and address social housing fraud with the Council's social housing stock.

Financial Implications

This report sets out the work that has been successfully carried out by the Corporate Fraud Investigations team,

Compensation could be funded from Compensation Order receipts collected from successful prosecutions at no further cost to council budgets.

Existing resources within the Fraud Investigations teams could be utilised to provide training to magistrates.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendations?

To prevent social housing fraud which will ensure that social housing is provided for those in most need.

Consultation Carried Out or Required

None Required.

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and concurs with the financial implications set out above, noting recommendations can be contained within existing resources. Corporate Finance further notes that training, if provided to magistrates as discussed in the body of the report, will be provided on a broadly cost neutral basis. Furthermore, compensation payments payable to victims of Social Housing Fraud will be funded from Compensation Order receipts.

Legal

There are no specific legal issues with endorsing recommendations 1-7 of the Policy Overview Committee, concerning the review into tackling Social Housing Fraud. Such a review falls within the terms of reference of this Committee.

Legal Services have been involved in advising the Corporate Fraud Investigation Team and will continue to do so in order to properly implement those recommendations that require legal input.

In terms of the payment of compensation to victims of the criminal offence of unlawful subletting (recommendation 4), Compensation Orders are available to the Magistrates' Court as a sentencing option on conviction and the amount ordered must be paid by the Defendant. The Legal Representative would need to be provided with details of the loss to the victim in advance of the sentencing hearing in order to make representations to the Court.

In terms of the introduction of new Social Housing Fraud Policy (recommendation 7), Members should note that paragraph 7.08 of the Council's Constitution specifies that this will need to be referred to Cabinet for final decision.

BACKGROUND PAPERS

NIL