

Crawley Borough Council

	Report No:FIN/262	E
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Report to Audit & Governance Committee

14 March 2012

Housing Tenancy Fraud

1. Key Points

- 1.1 Working in co-operation, Crawley Homes and the Fraud Team have identified a number of cases of tenancy fraud.
- 1.2 These cases have been investigated. As a result Crawley Homes have recovered seven properties.
- 1.3 A protocol has been drawn up to ensure the effective investigation of housing tenancy fraud through joint working.

2. Recommendations

- 2.1 **That the Committee note the success of action taken to identify tenancy fraud and recovery properties**

DAVE RAWLINGS
Head of Finance, Revenues & Benefits

3. Background

- 3.1 Crawley Homes have always had a number of tenancies where they felt there could be some form of tenancy fraud, with the tenant no longer living at the property and sub letting it. They have had some successes (Crawley Homes have recovered 11 properties), but there remained cases where the suspicions continued but they were unable to acquire evidence to support taking further action.
- 3.2 The Fraud Team have always focused on housing and council tax benefit fraud. One type of fraud is where the claimant is no longer living at the property that they are claiming benefit for.
- 3.3 At a national level there has been an increased focus on housing fraud, with the National Fraud Authority suggesting that it costs around £800m a year.
- 3.4 During the summer the Fraud Manager decided to start looking at these cases to see whether there was an associated housing tenancy fraud. It was agreed that a trial would operate until the end of December. That trial is now complete. This report gives an overview of the results and the way forward identified by the two services.

4. Results of the Trial and the Way Forward

- 4.1 During the trial there was joint working on seven cases, six of which involved the investigation of benefit fraud. A brief summary of each case and the results are set out below:
- 4.2 Case A
Evidence was obtained of an undeclared marriage. As a result housing benefit claim was stopped and the vacant property recovered.
- 4.3 Case B
Housing benefit was being paid on two properties where the tenants had got married and were living in one of the properties. The housing benefit was corrected to reflect the situation and the second property recovered.
- 4.4 Case C
Evidence obtained that tenant was not resident and living elsewhere with an undeclared partner. Property was being sublet. The property was recovered and the household it was being sub let were provided with help through the rent deposit scheme. The Housing benefit investigation is still live. It is expected that this will lead to a sanction being imposed.
- 4.5 Case D
Tenant inherited a property that she moved into with her undeclared partner. The Council property was occupied by the tenant's daughter and her daughter's boyfriend. Evidence was obtained and an interview under caution took place. A notice to quit was issued immediately after the interview.

The property has been recovered. The Housing benefit investigation is still live. It is expected that this will lead to a sanction being imposed.

- 4.6 Case E
The investigation looked at the concern that the tenant was not resident and sub letting. Evidence was obtained as to the non residence and the keys to the property returned.
- 4.7 Case F
Concern that tenant not living at the property and trying to transfer the tenancy to her daughter. It was established that the tenant had got married and was living with her husband outside of Crawley. The daughter had no succession rights.
- The keys were returned. An interview under caution has taken place. The Housing benefit investigation is still live. It is expected that this will lead to a sanction being imposed.
- 4.8 Case G
There was no benefit involved in this case. However, the expertise of the Fraud Team was used to get evidence that the tenant was not at the property and sub letting. The keys to the property were returned.
- 4.9 Last month the two teams met, together with the Audit & Risk Manager, to decide how to proceed. A protocol has been drawn up to ensure that cases are dealt with effectively.
- 4.10 Dealing with the housing tenancy issues requires extra investigation and work above that involved in a housing benefit fraud investigation. However, it is considered that the gain in recovering properties justifies continuing the work done in the trial period.
- 4.11 The Fraud Team does not have the capacity to investigate housing tenancy fraud cases not involving housing benefit. These will be investigated by Internal Audit staff, working to the Fraud & Investigations Manager.
- 4.12 The Fraud & Investigations Manager will work closely with colleagues in Crawley Homes on investigations. Key decision stages have been identified in the protocol, where decisions as to whether to proceed and how will be taken jointly.
- 4.13 There are currently 19 cases where there are concerns and which will be investigated further.
- 4.14 There is potential to take similar action in relation to social housing managed by registered social landlords such as housing associations. If this were to be pursued, the Council would require some form of payback for the additional work they undertake over and above a housing benefit investigation. That could be the nomination rights for any property recovered.
- 4.15 The options will be looked at the next time a housing benefit fraud investigation suggests there may be a housing tenancy fraud on a relevant property.

5. Ward Members' Views

- 5.1. Housing tenancy fraud could occur in any ward.

6 Staffing, Equalities, Financial and Legal Implications/Powers

- 6.1 The agreed approach will be implemented within existing resources. There are no other implications.

An Equality Impact Assessment has not been completed

7 Risk Implications

- 7.1 None

8 Environmental Impacts

- 8.1 None

9 Links to the Sustainable Community Strategy and Corporate Plan

- 9.1 The proposals contained in this report relate to the following key areas of the Sustainable Community Strategy

Community Cohesion	n	Community Safety	n
Young People and Children	y	Health and Well Being	y
Older People	y	The Environment	n
The Local Economy	n	Social Inclusion	y

The following key principles are applicable:-

(i) Working together	y
(ii) Dignity, respect and opportunities for all	n
(iii) Involving People	n
(iv) Making it last	y

The work being undertaken support affordable housing by ensuring that properties that should be available to households in housing need are made available

The report relates to the following areas in which the Council operates to enhance the town and the quality of life of local people:-

(i) Prosperity	y
(ii) Community	y
(iii) Environment	n
(iv) Value for Money	y

10 Reasons for the Recommendation

- 10.1 The Audit & Governance Committee has a responsibility for satisfying itself that the Council is taking appropriate action to deal with fraud.

11 Background Papers

None

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