

APPENDIX 2: DRAFT TEMPLATE: HOUSING TENANCY FRAUD: STRATEGY SUMMARY



INTRODUCTION:

Fraud is a crime and not a victimless crime. In the Public Sector every pound lost through fraud is a pound lost to the taxpayers and potentially deprives users of essential services.

Better prevention, detection and recovery of fraud will help reduce the financial pressure on Councils.

Local Authorities need to review and evaluate their current response to all areas of fraud they face including blue badge schemes, council tax, council tax and housing benefit, employee related included pay, pensions and recruitment, grants, housing tenancy, insurance, personal budgets, procurement and contract management and schools and create a robust and effective defence to this.

CONTEXT RE HOUSING TENANCY FRAUD:

The Audit Commission estimates that 50,000 homes are subject to tenancy fraud. Other research shows that this figure could be as high as 160,000. National Fraud Authority estimates the cost of tenancy fraud to be in the region of £900m. It costs £18k for a Local Authority to house a family in temporary accommodation for a year and it can cost £150k to build a new property (*source, Audit Commission, Protecting the Public Purse 2011*).

South Essex Homes manages 5,536 properties on behalf of Southend-on-Sea Borough Council, therefore this is significant fraud risk for the Council. If 10 properties identified as being subject to a housing tenancy fraud were returned as available stock, this would result in an annual saving of £180k.

DESCRIPTION OF RISK AREAS:

Subletting	This involves the registered tenant letting part or all of the property to another person.
Non-occupant	The tenant is not residing at the property. This normally links with another type of fraud e.g. sub-letting or abandonment.

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Unauthorised Succession	Where someone misrepresents their circumstances in order to qualify to succeed to the tenancy following the previous tenants death.
False Housing Applications	An individual; normally with no entitlement; applies for housing support and provides false information to enable the application to be successful.
Unauthorised Assignments	Assignment is the formal legal transfer of a tenancy from one tenant to another. An unauthorised assignment takes place when this is done without the landlords consent.
Key Selling	The tenant leaves the property and passes on the keys in return for one off lump sum payment.
Right to Buy	A tenant makes an application to buy property and provides false information to make application successful. Where tenancy fraud is undetected this can lead to person making an application to buy property.
Abandonment	Property is left empty without knowledge of the Local Authority.

RISK AREA	POTENTIAL WORK STREAMS			
	PREVENTION	ACTION TAKEN	DETECTION	ACTION TAKEN
Subletting	<ul style="list-style-type: none"> • <u>Poster campaign</u> • Amnesty • Regular training • Data matching • Publicity of consequences 		<ul style="list-style-type: none"> • Unannounced visits • Regular tenancy audits 	
Non-occupant	<ul style="list-style-type: none"> • Unannounced visits • <u>Poster campaign</u> 		<ul style="list-style-type: none"> • Data matching • Tenancy audits 	
Unauthorised Succession	<ul style="list-style-type: none"> • <u>Poster campaign</u> • Publicity of consequences • Data matching 		<ul style="list-style-type: none"> • Data matching • Regular training 	
False Housing Applications	<ul style="list-style-type: none"> • Regular training • <u>Poster campaign</u> • Publicity of consequences • Data matching 		<ul style="list-style-type: none"> • Regular training • Data matching • Tenancy audits 	

RISK AREA	POTENTIAL WORK STREAMS			
	PREVENTION	ACTION TAKEN	DETECTION	ACTION TAKEN
Unauthorised Assignments	<ul style="list-style-type: none"> • Tenancy audit 		<ul style="list-style-type: none"> • Tenancy audit 	
Key Selling	<ul style="list-style-type: none"> • <u>Poster campaign</u> • Publicity of consequences 		<ul style="list-style-type: none"> • Data matching • Tenancy audits • Unannounced visits 	
Right to Buy	<ul style="list-style-type: none"> • <u>Poster campaign</u> • Data matching 		<ul style="list-style-type: none"> • <u>Poster campaign</u> • Regular training 	
Abandonment	<ul style="list-style-type: none"> • Unannounced visits • <u>Poster campaign</u> 		<ul style="list-style-type: none"> • Data matching • Tenancy audits 	

Where a potential work stream impacts on a number of risks e.g. **tenancy audit**, working with housing departments to ensure this was done properly and the results acted upon appropriately would become a high priority job in the Counter Fraud Services Strategy.

Another potential work stream that would also impact on a number of risks is a poster campaign - so this might become another high priority job.