

NOTTINGHAM CITY HOMES

HOUSING MANAGEMENT
SERVICES COMMITTEE
21 JUNE 2010

REPORT OF ASSISTANT DIRECTOR OF HOUSING SERVICES

TENANCY FRAUD

1 SUMMARY

- 1.1 This report is to provide the members of the Housing Services Committee with an outline of the Company's involvement regarding Social Housing Fraud in the City.

2 RECOMMENDATIONS

- 2.1 It is recommended that members of the Housing Services Committee comment upon this report.

3 BACKGROUND TO SOCIAL HOUSING FRAUD

- 3.1 Under the previous Government, the then Housing Minister John Healey MP launched a crackdown on social housing tenants who profit by subletting their home and offered a £4 million incentive to Councils to get involved in the initiative.
- 3.2 The Department for Communities and Local Government claims that the drive could free up as many as 10,000 much-needed social homes across the country – as many as 1 in 20 in some hard-pressed areas - which would cost around £1bn to build new. A crackdown on subletting will free up council houses for people who need them.
- 3.3 Nottingham City Council and Nottingham City Homes applied for and were granted £50k to tackle this problem in Nottingham by Government and The Audit Commission.
- 3.4 Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), an exercise that matches electronic data within and between audited bodies to prevent and detect fraud. This includes police authorities, local probation boards and fire and rescue authorities as well as local councils. NFI 2008/09 helped trace £215 million in fraud, error and overpayments. Since the initiative's start in 1996, the programme has helped identify £664 million and the initiative has attracted international recognition.
- 3.5 The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

- 3.6 Nottingham City Council and Nottingham City Homes are to participate in a data matching exercise to assist in the prevention and detection of fraud.
- 3.7 A key part of this will be the Tenancy Fraud Investigation Officer (TFIO) accessing their data base and acting accordingly. Data matching involves comparing computer records held by one body against other computer records held by the same or another body, this is usually personal information. Computerised data matching allows potentially fraudulent activities to be identified. Where a match is found it indicates that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

4 NCC/NCH AND SOCIAL HOUSING FRAUD

- 4.1 Tenancy misuse can present itself in various forms, and can occur at any stage during the tenancy life cycle – from obtaining a tenancy by deception, through to failing to notify the landlord when the tenant moves out or passes away. In some instances, unlawful subletting can generate lucrative profits for individuals or organised groups.
- 4.2 Nottingham City Homes are dealing with the potential of Social Housing Fraud using the following:
- Employing a Tenancy Fraud Investigation Officer on a 12 month contract (TFIO);
 - A dedicated Hotline for reporting suspected tenancy fraud; 0115 9157101
 - A publicity campaign to raise awareness; including City Homes News, Publicity at tenant groups and forums.
 - Offering cash incentives for information which leads to the successful possession of a property;
 - Increase levels of partnership working between LAs, RSL at a local level to establish the most efficient and cost –effective methods of managing unlawful subletting.
 - Inputting and collection information from the NFI data base
- 4.3 An advertising campaign will also be launched on the week commencing 5th July 2010. This will include posters, leaflets, bus adverts, radio advertising and a “Hotline” which will enable the public to report suspected cases anonymously. The TFIO will be attending training sessions at Local Housing Offices (LHO) for all front line staff and will attend Area Panel Meetings to update and inform on progress. Further promotion will be made to Tenant Representatives to inform their groups of the update.
- 4.4 The Tenancy Fraud Investigator will work with Tenancy and Estate Management taking referrals and completing investigations. Housing Patch Mangers on the estates have extensive local knowledge and relationships within the community that will lead to cases of sub letting

being revealed. Having a thorough understanding of the issues impacting on the local area is essential if service provision is to be responsive to local need.

- 4.5 From discussions with the Gas Team there are indicators that there could be a pattern between unsuccessfully gaining entry due to possible irregularities in tenancy.
- 4.6 Referrals from the Housing Benefit Team may also be undertaken and facilitates a two-way process and exchange of information between teams working within the Data Protection Act.
- 4.7 The key outcome is to enhance co-operation between agencies, share investigations and increase in the resources and skills available to each of the participating organisations.

5 FUTURE EXPECTATIONS

- 5.1 In the first year of the project it is hoped to secure the repossession of 10 properties that are identified as unlawfully occupied.
- 5.2 Nottingham City Homes and Nottingham City Council is opposed to any form of fraud or malpractice. NCH is committed to develop an improved awareness of the existing levels of tenancy misuse and unlawful subletting within their own stock, and to demonstrate appropriate and proportionate action in response.
- 5.3 The success of the project will depend on the Company ensuring effective partnership arrangements within the community as well as statutory partners. It must become an integral part of everyday Company business and customers have a key role in developing and supporting the principles within the strategy.

6 DELIVERING IMPROVED PERFORMANCE

- 6.1 The success will depend on the Company ensuring effective partnership arrangements within the community as well as internally. The Initiative must become an integral part of everyday Company business and customers have a key role in developing and supporting the principles within the strategy.
- 6.2 It is a priority for Nottingham City Homes and Nottingham City Council, to ensure the housing stock is fully occupied and by those people who need it most. Tenancy fraud deprives residents who are in genuine need who are waiting their turn for a home.
- 6.3 In focusing on this priority, Nottingham City Homes are seeking not merely to ensure effective use of public resources but also to respond to the concerns of the law-abiding vast majority in social housing who want this fraud dealt with. It is also a vital measure in strengthening community vitality and enabling effective management by landlords of

their stock and indeed the neighbourhoods in which such housing is sited.

7 OTHER OPTIONS

7.1 There are no other options to be considered at present.

8 FINANCIAL & RISK IMPLICATIONS

8.1 Nottingham City Council has received the funding from central government for this project, and is sending through payments on an advanced quarterly basis.

8.2 Processes have been put in place to monitor all spending as a separate budget line within the existing budgets.

9 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

9.1 Tackling Tenancy Fraud meets the Companies priority on being a key partner in the delivery of sustaining neighbourhoods.

10 VALUE FOR MONEY AND EFFICIENCY ISSUES

10.1 Funding of £50k has been obtained from Central Government for this initiative and therefore there are no impact on NCH finances.

11 EQUALITY AND DIVERSITY IMPLICATIONS

11.1 There are no direct implications associated with the content of this report.

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