

Meeting: Integrated Housing Board

Date: 26 November 2009

Report Title: National Fraud Initiative – Tackling Tenancy Fraud

Report of: McKinley Erysthee, Housing Investigation Manager

Purpose

To highlight the Government's intentions of tackling tenancy fraud on a national scale which is denying households who are homeless and on waiting lists for a move to a secure home.

Summary

The Audit Commission through the National Fraud Initiative Data Matching programme has been cross matching public sector organisations data in a bid to improve the following:

- Maximise efficiencies in Public services.
- Reduce data error which creates increases in costs to service delivery.
- Improve data input and help organisations to improve in this area.
- Identify potential fraud which would be much more difficult to uncover.

Traditionally, housing tenancy data had always been matched against other records. Traditionally Housing Rent to Housing Rent matches between local authorities uncovered;

- Subletting of tenancies.
- Fraudulent housing applications.
- Fraudulent right to buy cases.

The only records which were not available until recently have been those belonging to Registered Social landlords (RSL's). A number of legal barriers of gaining access to these records have now been removed. The Department for Communities in Local Government has now provided financial support for the proposed project and is providing a maximum ceiling of funding of £50,000 to Housing Authorities who manage over 15,000 tenancies in its housing portfolio.

A number of London Council's using the Local Area Agreement Framework that have ALMO's located within their authorities, have agreed in principle to pool their funding resource and decide in consultation with their RSL counterparts on how to use the funds to its most effective purpose. So far all of the Local authorities in that area have secured funding. The next stage is

through further dialogue on how to use the funds on their ALMO's and Registered Social Landlord's behalf. A few of reasons can be cited for this approach:

- To review any matches which have already been dealt with from the National Fraud Initiative (NFI) exercise.
- To target new cases and place the resource where it is most needed i.e. investigations; education etc.
- Effectively deal with cross boundary cases on behalf of both the council's and registered social landlords.
- Use of existing tenancy fraud specialists with the aim of maximising the recovery of tenancies.

Homes for Haringey have been successful in securing funding from the Department of Communities and Local Government. The size of funding is not known at this stage, as the formal announcement by the DCLG has not been made public. It is anticipated that the formal announcement of the actual funding size could potentially be as much as £50,000. The announcement is due to be made before the end of November 2009.

ALMO's who do not already possess Housing Investigation resources within their organisation, will not be in a position to adequately deal with the actual tenancy fraud investigations. The council would need to discuss with Homes for Haringey how to manage this, if there is no current strategic policy or service agreement in place which already deals with the fraudulent use of housing.

At this time it is not clear, what operational plans Homes for Haringey have set out in order to deal with cases identified within the council's own housing stock and also in partnership with the boroughs Registered Social Landlords.

Research indicates that a number of London authorities by using their Local Area Agreements, have decided to pool their resources and then decide how best to provide a resources in the examination of matches and how best to support Registered Social Landlords during this initiative. With access to existing tenancy fraud specialists with the aim of maximising the recovery of tenancies and deal effectively with cross borough boundaries matches covered in their geographical area.

The council is currently in a good position to provide investigation support solutions to Homes for Haringey. The authority would seek to provide consultation and direct investigation and training and development services to Home for Haringey employees as one alternative.

This report will include a verbal update from a Seminar Hosted by "Just Housing" due to be held on the 19th of November 2009, entitled, "Tackling Tenancy Fraud". The Seminar will cover the following subjects;

- Protecting the public purse.

- A managed approach to tenancy fraud.
- Practical Case studies – identified as good practice.
- Civil recovery of Damages.
- Investigating tenancy fraud.

Appendices

1. Letter from Secretary of State for Communities and Local Government
2. Letter from Audit Commission to Local Authorities and Registered Social landlords.
3. Tackling Tenancy Fraud Seminar – “Just Housing“

Legal/Financial Implications

The government has asked for Local Authorities and Registered Social Landlords to bid for funding. Housing Authorities with more than 15,000 properties in their portfolio, could be eligible to up to £50,000 in grant funding.

Recommendations

It is recommended that the Board:

- i. Create a working party which includes Homes for Haringey and Registered Social Landlords on how tenancy fraud investigation is to be delivered. This will include a set of clear objectives and delivery plans which need to be discussed with the authority at the earliest opportunity.
- ii. Avoid the high cost of outsourcing fraud investigations to non public sector based organisations. These organisations would be too expensive operationally and would not be seen as value for money in the long term.
- iii. Examine the potential for Homes for Haringey and Registered Social Landlords to utilise the current fraud investigation services already present within the Council.

For more information contact:

Name: McKinley Erysthee
Title: Housing Investigations Manager
Tel: 020 8489 5381
Email address: mckinley.erysthee@haringey.gov.uk