



**The Rt Hon John Healey MP**  
***Minister for Housing***

***Department for Communities and Local  
Government***  
Eland House  
Bressenden Place  
London SW1E 5DU

3 August 2009

Dear Colleague,

I am writing to ask you to join a national drive to crack down on the unlawful sub-letting of properties in the social housing sector. In addition to the large financial cost of sub-letting, there is also the penalty paid by those families on waiting lists or in temporary accommodation who are being denied a settled home.

There has been no concerted campaign against this fraud before and many areas are not certain about its full extent. I am keenly aware that there are examples of local authorities who are already taking innovative and successful steps to crack down on the unlawful sub-letting of their property. I want to encourage all authorities to take similar action.

I have therefore decided to do three things. Firstly, I will make available to every social landlord best practice guidance that will show the most effective and practical ways of tackling sub-letting, including examples of the most successful work from around the country. Secondly, I will be encouraging every Registered Social Landlord with more than 1000 properties and every local authority to participate in a new run of the Audit Commission's National Fraud Initiative. The Audit Commission will shortly be sending out details of when and how to submit data. Thirdly, I will be providing a special grant to every local authority who signs up to this initiative to increase their efforts in this area.

Although the extent of unlawful sub-letting is uncertain, discussions I have had with a range of social landlords and housing professionals indicate that the scale of sub-letting is substantially higher in some areas than others, with London and some of the other metropolitan areas thought to be worst affected. Whilst most money should clearly go to those areas with the biggest problem, I am keen that this crackdown has national coverage. Therefore, I want to make money available to every authority to help enable them to investigate potential cases of housing fraud and prevent unlawful sub-letting occurring. I am aware that tackling unlawful sub-letting has not always received the highest priority.

For these reasons, the government proposes to make up to £50,000 available to each of the London boroughs (excluding the City of London) and those other local authorities with at least 15,000 social homes in their area – this includes properties owned by Registered



Social Landlords – and up to £10,000 to any other authority committing to take part. The final decision on the division of the grant money will be made in September. The final grants awarded will depend on the number of authorities who have made clear they intend to carry out work to crack down on unlawful sub-letting.

I will be expecting authorities to commit to working in partnership with the Registered Social Landlords in their area and to undertake specific activities to combat fraud. These activities may include measure such enhanced tenancy audits, the setting up of a tenant hotline and the use of specialist investigators. I also expect councils to share details of the measures they have put in place and the number of properties that have been recovered as a result.

If you want to be part of this drive to free up additional homes in your area, or if you have any further queries, you should contact: [socialhousingfraud@communities.gsi.gov.uk](mailto:socialhousingfraud@communities.gsi.gov.uk).

I am pleased that this initiative has the support of the Local Government Association, National Housing Federation, the Chartered Institute for Housing, the Tenant Services Authority and the Audit Commission.

I trust that you will work with me to increase the number of homes available for those in most need.

**John Healey MP**