

REPORT TO: Audit Committee	DATE 21 September 2010	CLASSIFICATION	REPORT NO.	AGENDA NO.
REPORT OF: Corporate Director, Resources		Social Housing Fraud Update <i>Ward(s) Affected: N/A</i>		
ORIGINATING OFFICER(S): <i>Minesh Jani, Service Head, Risk Management and Audit</i>				

1. Introduction

- 1.1 This report summarises the work of the anti fraud team on social housing fraud and the recovery of un-lawfully let public sector dwellings.

2. Recommendations

- 2.1 The Audit Committee is asked to note this report and seek any clarification as necessary.

3. Background

- 3.1 In September 2009 the Audit Commission published its report "Protecting the Public Purse" in which it identified that up to 50,000 properties within the public sector in England could be at risk of being unlawfully sub let. The predicted loss to the public purse was estimated to be in excess of £2 billion.
- 3.2 In response to this report, the Government set up a fund to encourage local authorities to promote tackling tenancy fraud. The Audit team at Tower Hamlets successfully bid for and secured the maximum allocation of £50,000 at the end of December 2009. A decision was made to use this fund to pro actively work with a range of stakeholders to identify this type of fraud and to recover properties for legitimate letting. The paragraphs below set out the actions that have been taken to date.

- 3.3 Audit Services have consulted with Tower Hamlets Homes and other Registered Social Landlords within the borough and with key stakeholders in the Council, particularly Legal Services and the officers within Development and Renewal dealing with housing.
- 3.4 Audit Services have also utilised the funding to promote and publicise the Council's whistle blowing hotline (0800 528 0294) and its anti fraud email address (anti-fraud@towerhamlets.gov.uk) to allow residents, staff, members and contractors to report their concerns about tenancy fraud and un-authorised sub letting. The hotline also continues to be used to report other types of fraud or irregularity.
- 3.5 A poster campaign was undertaken and press releases were issued in East End Life which was subsequently picked up by other local newspapers such as the East London Advertiser. The purpose of the campaign was to publicise what we were doing and that we working in partnership with Tower Hamlets Homes, local RSLs and neighbouring authorities (London Boroughs of Newham, Barking and Dagenham, Redbridge, Havering and Waltham Forest).
- 3.6 The majority of the funding has been used to fund three specialist housing fraud officers, employed on six month fixed term contracts to work specifically on the property recovery. Their objective has been to:
- Identify social housing fraud cases;
 - Assist/recover unlawfully public sector (ALMO and RSL) occupied properties (Secure and Assured tenancies);
 - Build up working relations with THH and RSLs to joint manage social housing fraud;
 - Deal with associated fraud matters arising from un lawful occupancy work including Housing Benefit Irregularities, Parking Permit abuse etc; and
 - Identify weaknesses and learn and improve systems to prevent un-lawful occupancy.
- 3.6 The posts were advertised in January 2010 and all three officers with skills in housing management and fraud investigation were in place by end of May 2010.

4. Current Position

- 4.1 Training on tackling housing fraud has been delivered to Tower Hamlets Homes and local RSLs jointly between the Council's Legal Services and Audit Services.

- 4.2 The Team has successfully worked together and built professional relationships with both Tower Hamlets Homes and local RSLs and this is reflected in the number of referrals and recovery successes. Monthly meetings on progress and issues are held between the Head of Audit Services and Senior Housing Management within THH, and Audit Services are working closely with THH on developing enhanced procedures to minimise the risk of subletting in the first instance.
- 4.3 The Team has also met with Lettings Service management team, Fraud Officers in the Housing Options Service and THH area office housing teams. These meetings have resulted in an increase in referrals and requests for advice from front-line THH staff. Contacts made with partner RSLs has resulted in a similar surge in referrals.
- 4.4 The East London Solutions group has met on four occasions since January which has facilitated the sharing of experience and intelligence on areas to target and how to work smarter. The London Borough of Hackney has now joined the group also.
- 4.5 The publicity on the whistle blowing hotline and the anti-fraud email has proved effective with over 100 referrals for investigations being received from this mode and a further 38 had been received through internal referrals from other services.
- 4.6 A recent test pilot has been undertaken by matching some of our council stock data to external credit agency records which has identified some 700 cases for follow-up.
- 4.7 The following is a summary of the team's case load, progress and successes to date:-
- 147 current cases;
 - Of these 11 have current Notice to Quit having been served on the property and after 28 days are potentially recoverable;
 - 7 further cases are due to be served with Notice's within the next 14 days;
 - 14 of these cases are actively been investigated for both tenancy issues and housing benefit fraud;
 - 50 cases have to date been investigated and closed with no unlawful tenancy issues;
 - 16 properties have been recovered (11 concerning Tower Hamlets Homes and 4 relating to RSL's and 1 relating to a Tenant Management Organisation); and
 - Although 700 new cases (as item 4.6) to be allocated.

4.8 It is intended to provide the Audit Committee with regular updates on the progress of this initiative and proposals for future service delivery.