

# STROUD DISTRICT COUNCIL

## HOUSING COMMITTEE

25 JUNE 2024

<b>Report Title</b>	<b>Housing and Tenancy Fraud Policy</b>			
<b>Purpose of Report</b>	To present the Housing Committee with an updated Housing and Tenancy Fraud Policy for approval and adoption.			
<b>Decision(s)</b>	<b>The Committee RESOLVES to:</b> <b>(a) Approve and adopt the Housing and Tenancy Fraud Policy attached to this report and;</b> <b>(b) Authorises the Strategic Director of Communities to approve future minor amendments to the Policy in consultation with the Strategic Head of Housing, Head of Service Counter Fraud and Enforcement Unit and the Chair of Housing Committee.</b>			
<b>Consultation and Feedback</b>	Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and have been issued to the relevant Senior Officers, Management and Governance Officers for comment.			
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<b>Options</b>	The service is a specialist criminal enforcement service working with the Gloucestershire Local Authorities, West Oxfordshire District Council and the Policies are introduced across the Partnership.			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix 1 - Housing and Tenancy Fraud Policy			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

### 1. INTRODUCTION / BACKGROUND

- 1.1. The Counter Fraud and Enforcement Unit (CFEU) has responsibility for assisting the Council to tackle housing and tenancy fraud and is therefore reviewing the overarching Policy to support this activity.

- 1.2. In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.3. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

## **2. MAIN POINTS**

- 2.1. Housing and tenancy fraud remains one of the most significant areas of fraud and abuse within the public sector. This takes many forms, but the two most significant areas are within the Right to Buy process and Illegal Subletting.
- 2.2. The CFEU continues to work with Social Housing Providers and the Tenancy Fraud Forum to tackle this effectively.
- 2.3. The Counter Fraud and Enforcement Officers are authorised under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014. This means they are authorised to obtain information relating to an individual from organisations such as financial institutions (banks, credit card companies), utility companies, communications providers and so on. The Act also created new offences in relation to housing fraud that can be prosecuted by Local Authorities acting on behalf of Social Landlords.
- 2.4. As a rough guide, the Fraud Advisory Panel, Charity Commission, Tenancy Fraud Forum and others have produced a new method using a standard formula to arrive at an average national cost to the taxpayer per detected tenancy fraud of £42,000. The formula considers:
  - The annual average temporary accommodation cost per family for individual Councils (£12,100) multiplied by 3 being the typical duration for one of these frauds = £36,300;
  - Add the average investigation costs (£1,300), average legal costs (£1,000) and the average void costs (£3,140);
  - = £41,740 approximated to £42,000.
- 2.5. In relation to Housing Waiting List Misrepresentation, the National Fraud Initiative apply a conservative estimate of £4,283 per case for future losses prevented as a result of removing an applicant from council housing waiting lists.
- 2.6. To support work activity, the CFEU have reviewed the Housing and Tenancy Fraud Policy which is attached to this report at Appendix 1.
- 2.7. The Policy seeks to provide information relating to the different areas of tenancy fraud, how the Council will approach this and sets out the approach to prosecution.
- 2.8. Awareness will be raised with all staff following the approval of the Policy.

## **3. CONCLUSION**

- 3.1 The Policy has been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures. The Policy will replace the existing Housing and Tenancy Fraud Policy.

## **4. IMPLICATIONS**

### **4.1 Financial Implications**

- 4.1.1 The Policy provides Officers with a framework that can be followed when dealing with matters arising from cases of fraud and error. This allows for financial penalties, such as unlawful profit orders, to be charged however, the intention of the Policy is not primarily for revenue raising purposes but to ensure the proper use and protection of social housing.

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### **4.2 Legal Implications**

- 4.2.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.
- 4.2.2 The legislation utilised by the Counter Fraud and Enforcement Unit and other service areas within the Council is identified within the Policy and the Council must comply with all legislative requirements.

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### **4.3 Equality Implications**

- 4.3.1 The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risk.

### **4.4 Environmental Implications**

- 4.4.1 There are no significant implications within this category.