

Housing & Property Services

Social Housing Fraud Policy

2022 (V2)



North Kesteven
DISTRICT COUNCIL

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1. Aim.....	4
2. Scope.....	4
3. Definitions	4
4. Principles	5
5. Specific Policy Areas	5
5.1. Open Spaces.....	Error! Bookmark not defined.
5.2. Estate Improvements	Error! Bookmark not defined.
5.3. Managing Vehicles on Housing Land	Error! Bookmark not defined.
5.4. Communal Areas	Error! Bookmark not defined.
5.5. General Maintenance Assistant (Neighbourhood Services).....	Error! Bookmark not defined.
5.6. Mobility Scooters.....	Error! Bookmark not defined.
5.7. Rough Sleeping	Error! Bookmark not defined.
6. Responsibilities	10
7. Supporting Procedures.....	Error! Bookmark not defined.
8. Consultation & Communication	10
9. Monitoring & Review	11

1. Aim

The Council aims to ensure the fair use of the Council's social housing by those in greatest need.

2. Scope

This policy sets out North Kesteven District Council's approach to minimising and managing social housing fraud within its own housing stock.

Taking effective measures against tenancy fraud helps meet the Council's aspirations to both provide the best possible housing services to its residents and to demonstrate that it is safeguarding the public purse. In developing this policy, the Council has acknowledged the housing need within the district and the importance of making sure its own housing stock is used to meet that need lawfully and appropriately.

3. Definitions

The fraudulent misuse of social housing may be any of the following:

- a) Non occupation by the tenant(s) as their only or principal home
- b) Wrongly claimed succession – retention of a tenancy following the death of the tenant(s)
- c) Unauthorised assignment of the tenancy - mutual exchange or transfer of tenancy without permission from the Council
- d) Key selling – where the tenant leaves the property and passes on the keys in return for a one off lump sum payment or favour
- e) Fraudulently obtaining a social housing tenancy by misrepresentation of identity or circumstances
- f) Fraudulent Right to Buy applications
- g) Unauthorised subletting:
 - a. Subletting the whole property to a single household or
 - b. Subletting part of the property without the prior consent of the Council.

4. Principles

Social housing is a public asset and ensuring that it is used appropriately is the responsibility of the Council as a housing provider. The fraudulent misuse of social housing is not only a waste of an important resource; it also prevents the Council from offering suitable accommodation to those in most need.

The 2020 Fraud and Corruption Tracker National Report from Chartered Institute of Public Finance Accountancy estimated that 4991 cases of local authority housing fraud were detected or prevented in 2019/20, with an estimated value of £122.4m. Right to Buy fraud and Illegal subletting made up less than one quarter of the cases, with other tenancy frauds such as false applications and successions making up the remaining. These types of tenancy frauds have increased significantly over the last three years; however, it is felt that this is predominantly due to the continued efforts to review housing tenancies, including proactive exercises and due diligence like those found within this policy.

The objectives of the policy are:

- a) To prevent abuse of the housing allocations system through robust, effective and timely processes.
- b) Minimise levels of fraud through quality investigations and fraud prevention measures.
- c) The publication of policies that clearly indicate zero tolerance of fraud and abuse of services.
- d) To raise awareness of the issue of social housing tenancy fraud and its impact in North Kesteven, promoting a culture of honesty, openness and accountability.
- e) To maximise the availability of council properties by seeking recovery of unlawfully occupied homes wherever possible, and the prosecution and sanctioning of offenders where appropriate.
- f) Continued development of working partnerships with our internal and external partners, in particular the Shared Revenues and Benefits service.

5. Specific Policy Areas & Supporting Procedures

5.1. Current Practices

5.1.1. Allocation

The Council operate a choice based letting scheme; Lincs Homefinder. Lincs Homefinder is a partnership between North Kesteven District Council and City of Lincoln Council. We operate using the same systems and website, but we process applications and let properties using different policies. Properties within North Kesteven are let in line with North Kesteven District Council's Lettings Policy.

Areas of good practice to prevent fraudulent housing applications include:

- Clear designation of roles and responsibilities in respect of actions and decision-making;
- Separation of duties in allocations process, i.e.: assessment by housing assistant, allocation by housing options officer, which is checked by second officer, minimising risk of error and fraud within the process;
- If applicant is an employee/member or relation of employee/member, additional checks are in place involving Housing Services Manager and Head of Service, again minimising error, influence and risk fraud within the process;
- Clear procedures in place for processing applications and making allocations, available to all appropriate staff;
- Appropriate and effective staff training;
- Documents, from an approved list, are requested to confirm identity and residency of all household members at point of application, application is not fully processed without these required documents;
- Officers have access to both Councils' Housing Benefit and Council Tax system to verify circumstances;
- Supporting documents are gathered from a range of sources, usually professionals, to verify housing need e.g.: General Practitioner / Occupational Therapist / Social Worker ;
- Home visits are undertaken, where appropriate, on applications made from within the district that have been awarded a priority;
- Landlord references for the last 5yrs are obtained to verify statements made on applications;
- Any discrepancies in details provided by applicants e.g.: dates/addresses, are investigated;
- Any identified risks are shared with Neighbourhood Services at point of allocation to assist in housing management approach;
- Regular checks of reasons for awarding additional priority;
- A field on the application to record when Housing Benefit systems are checked to verify circumstances;
- A field on the application to record when all required information was received, to assist with monitoring of processing times;
- Ensuring a note is added to application to reflect all contact with applicants;
- Clear declaration endorsed by applicants setting out consequences of failure to disclose relevant information or intention to mislead, including statements on collusion.
- A field in application to record applicant confirms interest in vacancy; and
- Regular reporting to measure outcomes against the aims of the lettings scheme.

5.1.2. Tenancy Management

The Neighbourhood Services team undertake a series of tenancy audits. Tenancy audits target tenants who met one or more of the following criteria:

- No contact with the known tenant during the past 12 months;
- Tenants in high density areas – Sleaford & North Hykeham - where variations between private and social rent are highest and demand is at its highest;
- Tenants of flats within blocks where there is greater anonymity from neighbours;
- Tenants who did not provide access for the annual gas servicing/safety check;
- Rent accounts where a single payment of rent exceeded £1,000 had been received in the previous 2 years;
- 4 bedroom properties;
- Tenants who have long standing static credits on their rent account.

Those who meet the criteria are visited by Housing Officers to ascertain who is living at the property in order to identify:

- Fraud
- Under occupation
- Over occupation

Evidence of identity is routinely sought during any tenancy management activity, including mutual exchanges, assignment, and succession. The team also has a dedicated email address for reporting tenancy fraud: stophousingfraud@n-kesteven.gov.uk

Excellent working relationships are maintained with the Shared Revenues and Benefits team, working to the benefit of investigations of both tenancy and benefit fraud.

5.2. Prevention & Detection

5.2.1. Prevention

5.2.1.1. ID Verification

Proof of identity will continue to be requested and verified at various stages in the tenancy lifecycle, including:

- a) Application for social housing
- b) Sign-up to a new tenancy
- c) As part of a tenancy audit
- d) Application for assignment or exchange
- e) Application for succession
- f) Changes to the tenancy, including adding an individual to the tenancy, for example
- g) Right To Buy (this will include household members wishing to be included in the application)

Identification that includes a photograph of the holder should be asked for in the first instance, and is preferable to other non-photo ID. This includes:

- a) Full UK or EU driving licence including photograph
- b) Ten year UK or EU passport with photograph
- c) EU identity cards
- d) UK identity card for foreign nationals / residence permit issued by the Home Office

Non-photographic ID which can be accepted:

- a) UK certificate of naturalisation
- b) Letters from Department of Work and Pensions showing name, address and National Insurance number
- d) Birth/marriage/adoption certificate
- e) Medical card with National Insurance number
- f) Certificate of HM Forces employment
- g) P45, P60 or pay slip

5.2.1.2. Making False Statements

It may not always be practical to easily verify claims made on application for housing, including claims for homelessness or succession. However, claims can be checked to an extent by using simple measures including:

- a) Internal data held within the organisation, including rent payment or repair records
- b) Internet searches using standard search engines
- c) Address locations services for example "192.com"
- d) The electoral roll
- e) Social media
- f) Local land registry

5.2.1.3. Signatures

Claims made at application should be verified by the tenant's signature. This can provide useful evidence, if court action is required later in the tenancy, that the individual knowingly made a false statement to access housing.

Examining signatures provided by the tenant and comparing them to those provided on official documents is a simple way to identify individuals who may be posing as someone else. We will ask for a signature after a visit to the property, for example during a tenancy audit, as a way of collecting a sample for comparison.

5.2.2. Detecting Tenancy Fraud

5.2.2.1. Checking for Signs of Fraud

Whilst some providers respond to instances of tenancy fraud as they emerge through tip offs, we wish to be an effective provider that seeks out tenancy fraud within our stock that

may otherwise go unnoticed.

As a local authority, we hold a significant amount of data about individual tenants and households. This is often enough to highlight instances of potential fraud by comparing different records from different departments within the organisation and by looking at records within the Council's housing management systems common "warning signs" of potential fraud can be recognised.

We will regularly evaluate the following information:

- a) No contact with the tenant for a fixed period of time (one year or more)
- b) No recent repairs history
- c) Difficulties in gaining access for annual gas servicing
- d) Households where assignment has been refused
- e) Households where succession has been refused
- f) Rent paid from an account belonging to someone other than the registered tenant
- g) Rent paid in advance
- h) Significant levels of credit on a rent account
- i) Rent accounts where a single payment of rent exceeded £1,000 had been received in the previous 2 years
- j) High density areas – Sleaford & North Hykeham - where variations between private and social rent are highest and demand is at its highest
- k) Tenants of flats within blocks where there is greater anonymity from neighbours
- l) Tenants who have long standing static credits or debits on their rent account

We will conduct tenancy audits on tenancies identified as being higher-risk using these criteria.

5.2.2.2. Data Matching

Data matching refer to the process where a provider compares the data they hold on a tenant to data held by another organisation such as a credit reference agency.

Data matching can be used to identify instances for example where a tenant has multiple tenancies with different providers, or where they are making a claim for benefits at a property which is ant their social rented home

Data matching can also be used to check a tenant's address history, which is useful for verifying Right to Buy applications, or for chasing former tenant arrears.

We currently make best use of the National Fraud Initiative by investigating potential data

matches. The Council will continue, on a case-by-case basis, to make data matching checks in this way.

5.2.2.3. Prevention of Social Housing Fraud Act 2013

The Prevention of Social Housing Fraud Act 2013 made subletting the whole of a social rented dwelling a criminal offence. The Act was brought fully into force in England on 15 October 2013.

The Act introduced two new criminal offences. Firstly, where the tenant sublets or parts with possession of a property or ceases to occupy knowing that it is a breach of tenancy. The second, more serious offence, is where a tenant dishonestly, in breach of tenancy, sublets without consent and ceases to occupy the property as their only or principal home.

The first offence only requires knowledge that the tenant sublet their home in breach of their tenancy agreement, the second requires proof this was done dishonestly.

The Act gives local authorities powers to prosecute in cases of unlawful subletting and enables courts to order the recovery of any profit made from unlawful subletting from tenants. The maximum penalty for the first offence is a fine of £5,000. The second offence is punishable by a two-year jail sentence and/or a fine of up to £50,000.

This Council will pursue prosecution in all cases, except in exceptional circumstances where the Head of Housing & Property Services decides it is in the best interests of the Council not to pursue criminal prosecution.

6. Responsibilities

- Head of Housing and Property Services - overall responsibility for prosecuting perpetrators of housing fraud;
- Housing Services Manager - initial decision-maker for prosecution of housing fraud;
- Neighbourhood Services Manager - legal referrals, represent council at court with solicitor;
- Housing Officer - undertake tenancy audits, check documents, gather evidence;
- Housing Options Officer - check applications, gather evidence Housing Officers.

7. Consultation & Communication

Consultation has previously been undertaken with the Council's Tenant Liaison Panel.

The policy will be available on the Council's corporate website.

8. Monitoring & Review

This policy will be reviewed in response to changes in legislation or statutory instruments by the Neighbourhood Services Manager or Housing Services Manager.

In the absence of any legislative changes to trigger a review, this policy will be reviewed every three years to ensure it remains organisationally accurate.

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