

TENANCY FRAUD INITIATIVE

Report of the Director of Housing and Customer Service

1. SUMMARY

This report sets out some of the risks we face of tenancy fraud and makes proposals for how Derby Homes will work to reduce the problem within the City.

2. RECOMMENDATION

The Board is requested to approve the proposals to:

- introduce a requirement to provide photographic ID at sign-up, and
- carry out a systematic occupancy review of all current tenancies from January 2011 onwards.

3. MATTER FOR CONSIDERATION

3.1 The Government launched a national initiative in November 2009 to crackdown on tenancy misuse and fraud. Public housing is a valuable asset for which there is great demand. In September 2009, the Audit Commission estimated that as many as 50,000 social homes across the county may be occupied fraudulently.

3.2 Tenancy misuse can present itself in various forms and can occur at any stage during a tenancy lifecycle, from obtaining a tenancy by deception, through failing to notify the landlord when the tenant moves out or passes away. In some instances unlawful subletting can generate lucrative profits for individuals or organised groups. The following list is not exhaustive, but does include the main types of tenancy misuse:

- unlawful subletting
- non occupation by the tenant as their main or principal home
- wrongly claimed succession
- unauthorised assignment of the tenancy
- key selling – where the tenant leaves the property and passes on the keys to someone else
- fraudulently obtaining housing through misrepresentation of identity or misrepresentation of circumstances.

3.3 This report considers some of the good practice ideas designed to tackle the above and makes proposals for practical measures which we can adopt to prevent and detect tenancy fraud.

3.4 Improved Sign Up Procedures

When a property is allocated we are obliged to ensure that the new tenants are who they say they are and that the circumstances on their housing application are correct. We will work with the Housing Option Centre staff to ensure that they follow practices with new applicants that help to identify fraud. It is proposed to introduce new identification and verification checks when properties are offered and the provision of photographic identification and birth certificates at the 'sign up' interview. Proof of current address and of the identity of other family members registered on the application to be re-housed will be required prior to the tenancy being granted. We will then be able to ensure the applicant(s) we are signing up are the same as those detailed on the application.

- 3.5 The use of photographs is becoming increasingly common practice. Using photographs have been found to discourage tenancy misuse and unlawful subletting, increase the likelihood of detection through recognition, and support the completion of tenancy audits. Information Technology solutions now allow for photographic images to be stored on tenancy agreements and the details logged on the housing management system.

3.6 Post Let Visits & Introductory Tenancy Reviews

We already have systems in place to carry out post let visits and introductory tenancy review visits. These visits provide opportunities to verify that the occupants of the property are indeed the tenant(s) and that all the household members are in occupation.

- 3.7 Where a tenancy has been obtained by deception and false statement the tenant can be prosecuted within six months of the detection of the fraud. By improving the sign-up process and follow up visits we be better placed to identify any such cases and take prompt action to recover the tenancy.

3.8 Tenancy Audits

The primary purpose of a tenancy audit is to validate the identity and occupancy of our properties. It is proposed to develop procedures for carrying out tenancy audits to all properties we manage, starting with 'high risk' tenancies, which may include tenancies:

- in blocks of flats, where neighbours are less likely to be aware of and report fraud
- where there has been no contact with the tenant for six months
- where no repairs have been reported in the previous twelve months
- where rent is always paid:
 - in advance, or where there is a significant credit on the account
 - in large sums of cash
 - by direct debit or standing order where the names do not match with that of the tenant.

We will work with Internal Audit and Derby Benefits to identify discrepancies between housing tenancy records and housing benefit records. We will consider the use of annual home visits, such as the annual gas servicing check, to verify the tenants identity or else to raise a concern to be further investigated.

3.9 Publicity

We need to raise awareness that Derby Homes care about tenancy fraud and that we will act where appropriate. We will introduce a range of measures which include:

- awareness raising campaigns
- articles in resident newsletters and possibly the local press
- website
- other appropriate methods as may be available.

4. CONSULTATION IMPLICATIONS

We will consult with the Derby Association of Community Partners and Housing Focus Groups over the implementation of these proposals.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 The majority of the proposals within this report will be achieved within existing budgets.
- 5.2 The City Council have received £30,000 funding from the Communities and Local Government (CLG) Department to tackle tenancy fraud. We are in discussion with the Council to agree the allocation of some of this funding to cover the costs of advertising and any additional staffing costs which may arise.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

- 6.1 The CLG's code of guidance provides detailed information about social housing allocations under Part 6 of the Housing Act 1996. This provides that in cases where a fraud is detected on social housing, a tenant can be prosecuted within six months of the date of detection.
- 6.2 There may be occasions where it is necessary to share tenant's information between partner agencies. Landlords have a responsibility to ensure that all data sharing takes place within the legal restrictions of the Data Protection Act 1998. Only the necessary information should be shared between partners and efforts should be made to ensure that the sharing process is secure. Similarly data should be stored securely, and any data that is no longer needed should be securely disposed of. Derby Homes already operates sharing, storage and disposal processes in line with requirements of the Data Protection Act 1998.

7. EQUALITIES IMPACT ASSESSMENT

We will engage the use of appropriate support agencies where we identify equalities issues which may hinder the occupants' ability to provide the required criteria to verify their identity.

8. HEALTH & SAFETY IMPLICATIONS

A risk based approach will be developed for officers undertaking tenancy audits to manage the health and safety risk to our employees. Full guidance and support will be provided.

The areas listed below have no implications directly arising from this report

- Personnel
- Environmental
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or the Chief Executive, phil.davies@derbyhomes.org - Tel 01332 711010

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Background Information: None.

Supporting Information: None.