



## London Borough of Enfield

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<b>Report Title</b>	Housing Fraud
<b>Report to</b>	Housing Scrutiny Panel
<b>Date of Meeting</b>	22 April 2024
<b>Cabinet Member</b>	Cllr Savva
<b>Executive Director / Director</b>	Joanne Drew
<b>Report Author</b>	Neil Wightman Director of Housing Services (Residents)
<b>Ward(s) affected</b>	N/A
<b>Classification</b>	Public
<b>Reason for exemption</b>	N/A

### 1. Introduction

Council housing fraud affects the availability and quality of social housing for those who need it most. Housing fraud occurs when someone obtains or occupies a council property that they are not entitled to or sublets it to someone else without permission. This deprives other eligible applicants of the opportunity to access affordable and secure housing and costs the council money and resources that could be used for other purposes.

### 2. Types of Housing Fraud

- **Housing Application fraud**

This is when someone provides false or misleading information on their housing application (housing register or homelessness application), such as their income, household size, or personal circumstances, to gain priority or eligibility for a council property.

- **Occupancy and Subletting Fraud**

This is when someone who has been allocated a council property does not live there as their main or only home and leaves it empty or uses it for another purpose, such as a holiday home or a business. They may sublet

and rent it out to someone else, either partially or wholly, without the council's consent.

- **Succession Fraud**

This is when someone who is not eligible to inherit or succeed a council tenancy after the death or departure of the original tenant tries to claim or take over the property.

- **Right to Buy Fraud**

This is when someone who is not eligible to buy their council property under the right to buy scheme tries to purchase it or uses false or forged documents to do so.

### **3. Anti-Fraud Measures**

3.1 The council takes council housing fraud very seriously and has several measures in place to prevent, detect, and prosecute it, such as:

- Verifying the identity, income, and circumstances of all housing applicants and tenants, and conducting regular checks and audits.
- Encouraging residents and staff to report any suspicions or evidence of council housing fraud and providing a confidential hotline and online form for this purpose.
- Investigating all reports and allegations of council housing fraud and using a range of powers and tools to gather evidence, such as data matching, surveillance, and interviews.
- Taking swift and firm action against those who are found to be committing council housing fraud, such as terminating their tenancy, recovering any money or property obtained fraudulently, and prosecuting them in court.
- Publicising the outcomes and consequences of council housing fraud cases and raising awareness and education among the public and staff about the issue and how to prevent it.

### **4. Reporting fraud, the role of Fraud team, performance, and outcomes**

4.1 The Counter Fraud Team protects the Council against fraud by putting in place counter fraud measures, raising awareness of fraud and undertaking professional investigations of frauds that are suspected to have occurred. This includes.

- **Preventative work** - promoting fraud awareness and fraud prevention across the Council, which includes taking part in the annual International Fraud Awareness Week and similar activities.
- **Proactive work** – including targeted exercises designed to identify potential frauds. For example, the Council has agreements with Housing & Regeneration to risk-assess all right to buy and succession

applications and no recourse to public fund applications in order to prevent and/or detect fraud.

- **Reactive work** – which accounts for a large proportion of counter fraud work and involves responding to referrals submitted to the team. Referrals can come from internal employees, agency staff, contractors (sometimes through the whistleblowing route), and from external means such as residents, the general public, organisations such as other local authorities and the Police. Allegations may relate to corporate work, benefits, and tenancy.

4.2 Suspected fraud can be reported internally at Audit and Risk Management - Counter (sharepoint.com) which also has additional useful information. Alternatively concerns can be reported by speaking to one of the team at 020 8379 3166 or emailing at fraud.team@enfield.gov.uk.

### 4.3 Housing Fraud Data

The table below table includes data for 2022/23 and 2023/24 on cases where there is an established outcome and does not include the numerous cases investigated where there is either no saving, outcome or where the case is ongoing.

Category	2022/23 (case no)	Saving £	2023/24 (case no)	Saving £
Non- occupation and sublet recoveries)	11* (inc 4** TA properties)	304,000	9* (including 1** TA)	338,500
Succession denied (recovered)	6 (5)	252,000	6 (5)	252,000
Homelessness and temporary accommodation	1*** (removed from register)	3,240	4*** (removed from register)	12,960
RTB	9	900,299	1	127,900
Housing – Buy Back Scheme	N/A	N/A	1	212,900

\*Tenancy recovery figure - £42,000

\*\*TA recovery figures - £2,500

\*\*\*Removal from register - £3,240

## 5. Case studies

### 5.1 Non-occupation/sublet case

The tenant was found to be living in the Isle of Wight. Powers used under the Prevention of Social Housing Fraud Act (POSHFA) to obtain the tenant's bank statements which showed transactions overwhelmingly in the IOW. The tenant was interviewed under caution and initially denied non-occupation and subletting

and attempted to fight the case but due to the evidence against them surrendered the tenancy. This case is currently being pursued for prosecution.

## **5.2 Right to buy**

The tenant was identified to be living in the USA. The tenancy address came within part of a regeneration program and if the RTB had succeeded the tenant would have benefitted from the Council buying back the property. Airline data was obtained to show the tenant had been out of the country for long periods and were able to establish the tenant had married and bought a property in the USA where he is believed to live with his wife and children.

The tenant was interviewed under caution, following this, the tenant withdrew the RTB application and surrendered the tenancy. There were savings to the Council by not having to buy back the property.

## **5.3 Succession**

A grandson applied to succeed the tenancy of his grandmother, claiming he had lived with her for 6 years prior to her death. An investigation by the Counter Fraud Team found the grandson had been living in temporary accommodation elsewhere and claiming benefits at the TA address. The application was subsequently withdrawn.

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### **Report Author:**

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### **Appendices**

None

### **Background Papers**

None