

## Proposed use of tenancy fraud budget.

### SUMMARY

- 1.1 The Government has announced a crackdown on tenancy fraud and is providing support to councils to enable them to address the problem. Government figures show that at least 50,000 social homes in England are being unlawfully occupied. Government calculations indicate that it would cost more than £5 billion to replace all of these homes.
- 1.2 Nationally funding has been made available to support anti-fraud initiatives in social housing. The Department of Communities and Local Government has, following a successful bid submission by the Council, awarded Derby £30,000 to support its own initiatives.
- 1.3 There are a number of tenancy verification services that have been developed as a response to the Government's anti-tenancy fraud initiative. This market has now matured and it is felt that utilising one of these services represents the best use of the monies made available to the Council.
- 1.4 It is anticipated that the Council and Derby Homes will partner to procure and utilise the service as required.

### RECOMMENDATIONS

- 2.1 That Council and Derby Homes' officers continue to investigate and subsequently procure the verification service that offers the best value for the Council.

### REASONS FOR RECOMMENDATION

- 3.1 It is considered that the most sustainable and effective use of funds is to utilise one of the bespoke verification services available.

## **SUPPORTING INFORMATION**

- 4.1 The Government has announced a crackdown on tenancy fraud and is providing support to councils to enable them to address the problem. Government figures show that at least 50,000 social homes in England are being unlawfully occupied. Based on government calculations, it would cost more than £5 billion to replace these homes.
- 4.2 Tackling tenancy fraud is therefore high on the Government's agenda. The Government is concerned that there is considerable tenancy abuse within social housing. This is predominantly illegal sub-letting and misrepresentation in order to obtain a social housing tenancy. This situation has been made more pertinent by the current shortage of social housing.
- 4.3 Nationally funding has been made available to support anti fraud initiatives in social housing and the Department of Communities and Local Government awarded Derby City Council £30,000 to support its own initiatives.
- 4.4 There are a number of software and credit referencing companies that have sought to develop bespoke services and software to address this issue. This includes leading companies in the field such as Experian and Capita. The expenditure of this grant has not been time limited which has enabled the Council to allow the market to mature. Those providers with the most successful products are now able to demonstrate a successful track record.
- 4.5 Ideally, the Council would check all current tenants and those on the waiting list for social housing and on an on-going basis check applicants as they apply for social housing. In reality, however, we are limited in accordance with the resources we have and we could have to undertake a provisional risk assessment before accessing any verification services.
- 4.6 Discussions are ongoing with one provider in relation to their Social Housing Tenancy Verification service. This organisation is providing a volume quote for the full service we would require. In terms of actual procurement we would request 3 quotes. It is anticipated that this could be joint procurement between Derby City Council and Derby Homes.
- 4.7 In the interim Derby Homes' officers have been engaged in checking and confirming the occupancy details of a number of properties on Saturday mornings. The additional costs associated with these activities have been funded through this initiative.

## **OTHER OPTIONS CONSIDERED**

- 5.1 In terms of best use of these funds, officers have considered a number of options. These included poster campaigns and rewards for information on sub-letting. However verification would still need to take place following any reports and the council would need to be wary of malicious accusations.

- 5.2 Officers have also considered the installation of a bespoke telephone hotline relating to tenancy fraud and have also considered a wider training event for partner organisations. However on reflection, it is believed that the best and most sustainable use of these funds would be to utilise some of the tenancy verification services that are available as outlined above.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Olu Idowu Pete Shillcock N/A Brian Frisby
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Name Ian Fullagar e-mail <a href="mailto:ian.fullagar@derby.gov.uk">ian.fullagar@derby.gov.uk</a> None Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Finance and Value for Money**

- 1.1 This is funded by an external grant. Identification of tenancy fraud could allow the council to recover possession of a number of properties, which could then be re-allocated to those in housing need.
- 1.2 £2,600 has been used to pay for overtime costs to enable Derby Homes Officers to undertake a door knocking tenancy check exercise at weekends.

**Legal**

- 2.1 The Council is required to ensure that the £30,000 is spent on initiatives that combat Tenancy Fraud

**Personnel**

- 3.1 Not applicable

**Equalities Impact**

- 4.1 Any social housing that becomes available through this initiative will be let to some of the most disadvantaged families in the City.

**Health and Safety**

- 5.1 Not applicable

**Environmental Sustainability**

- 6.1 Not applicable

**Asset Management**

- 7.1 Not applicable

**Risk Management**

- 8.1 The Council will seek quotes from established providers who can demonstrate a successful track record in this area.

**Corporate Objectives for Change**

- 9.1 The proposal links to the Council's priorities in particular;  
Making us proud of our neighbourhoods  
Give you excellent services and Value for Money