



Northern Ireland
Assembly

Public Accounts Committee

OFFICIAL REPORT (Hansard)

NIAO Report — ‘Tackling Social Housing Tenancy
Fraud in Northern Ireland’:

Department for Social Development, Northern Ireland
Housing Executive and Northern Ireland Federation of
Housing Associations

14 May 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Michaela Boyle (Chairperson)
Mr John Dallat (Deputy Chairperson)
Mr Michael Copeland
Mr Alex Easton
Mr Paul Girvan
Mr Chris Hazzard
Mr Ross Hussey
Mr Daithí McKay
Mr Seán Rogers

Witnesses:

Mr Will Haire	Department for Social Development
Mr Jim Wilkinson	Department for Social Development
Mr Cameron Watt	Northern Ireland Federation of Housing Associations
Mr Gerry Flynn	Northern Ireland Housing Executive
Ms Mags Lightbody	Northern Ireland Housing Executive

The Chairperson: Today we have with us Mr Will Haire, the accounting officer in the Department for Social Development. Thank you for joining us today. Apologies for the delay in starting. Mr Haire, would you like to introduce your team?

Mr Will Haire (Department for Social Development): Yes. I am joined by Mags Lightbody, the acting chief executive of the Housing Executive; Gerry Flynn, the director of landlord services in the Housing Executive; Cameron Watt, the chief executive of the Northern Ireland Federation of Housing Associations; and Jim Wilkinson, who is my director of housing in DSD.

The Chairperson: You are all very welcome. Members, I will start the questioning today. As I said earlier, if members have supplementary points to make, I ask that you hold them until the end as they may stray into the areas of other members who may wish to ask a particular question.

Mr Haire, Ms Lightbody and Mr Watt, as well as the publication of the Audit Office report, there was the agreed tenancy fraud strategy in April 2013, which lists a number of measures on detecting tenancy fraud, including data sharing and tightening procedures on new and existing tenants and taking a more robust approach to tenancy fraud. Do you agree that the Housing Executive and the housing associations have been slow in responding proactively to this serious problem?

Mr Haire: I will start off, and I will then ask my colleagues to come in. You know the history of this issue. It was particularly brought up from work in 2009 from the Department for Communities and Local Government (DCLG). In 2008 — the previous year — the Housing Executive did operation blitz; it looked at 10,400 of its properties and looked at the issue differently. It had been looking at a question about an occupancy issue, but, at that time, it looked at that question and repossessed 16 houses from that exercise. It spent £200,000 on that exercise. At that time, it had quite a clear vision from the early stages about the sense of some of the issues. They were very much in its thoughts.

In November 2012, DCLG produced its document, which is referred to in the report. By December, that was in front of the senior team of the Housing Executive. By January, it had a draft out for consultation with the central housing organisations. It waited for the conclusion of the Audit Office report in November to see where the Audit Office was going in its thinking. By November, the strategy document, which the Committee has, had gone through its board. It had set up an action plan by that time. It had already been doing a great deal of work in line with that process. It had already formulated an action plan and had it in place. The Northern Ireland fraud forum was established. It was already a very active member of the National Fraud Forum. It is doing a range of issues. I am going to ask Mags to look at that issue. At the same time, the housing federation was working through its members.

All of us really welcome the report. It is a complex area of fraud to deal with. There has been a major shift in thinking, and we have gone very much with it. We are keen to explore it in a sensitive and clear manner to fit into the Northern Ireland circumstances. I am pleased by the pace we have worked at. We do not doubt that there is a lot more to be done in that process, but there has been active handling. Mags, do you want to comment?

Ms Mags Lightbody (Northern Ireland Housing Executive): Members will be aware that the Housing Executive's role is more than being just a very large landlord. This is a serious issue; it involves housing assessment responsibilities and homelessness. Making sure that every property is used appropriately and is occupied by the right person is our day job, and always has been. Tenancy fraud is probably a fairly new badge for a particular aspect of what we would always have called sound housing management. I am sure that my colleagues from the housing association sector will comment appropriately as well. Our staff out in the sticks have always had a focus on making sure that properties are turned around quickly, allocated appropriately and occupied by the right person.

I will take you through some of our actions before the tenancy fraud banner, as it is very usefully now presented. In 2001, we created the first neighbourhood wardens with the sole focus of being in the communities, supplementing housing officers to make sure that properties were being occupied as well as looking after the environment.

In 2008, we had our first big general stamp out fraud campaign. We have always looked nationally to what is happening, over to GB, as well as internally for best practice and what is new in housing. We have been active members of HouseMark, which is a national body in GB. We share our innovations and best practice and hear from others. As my colleague mentioned, in 2008, as part of that stamp out fraud campaign, we did our first big targeted audit of properties. Knowing the intelligence coming from elsewhere that flatted properties are at that high-risk area, because they may be easier to hide issues in, we did a blitz on flats, maisonettes and high-rise stock. We spent a lot of money to do door-to-door checking of who is there and checking identities etc. From that intensive campaign, 62 abandonment notices were served, where we, after repeated attempts, could not establish who was there. Through our tenancy rights agreement with the occupier, we have the right, if we suspect that a property is not being occupied, to serve notice and, without court process, to take those properties back quickly and get them back into occupation. We went into a formal process for 0.6% of the properties we did that intensive activity on, and, subsequently, we took 15 properties back because there was no contact, and so we let that process run. It is a very cost-effective process to get the houses back quickly. We do not have to agree a costly and time-consuming court action.

While the reports on the Audit Commission's activity in 2009 were happening in GB, we picked up the discussions. In each of them, we took the documents and checked them against our policies and approaches. We picked up on some of the potential high numbers that we saw from GB. We took those documents and made sure that our actions were current. On the back of that, we really built up the campaigns concerning the big culture change of calling it what it is: tenancy fraud. We started our activity back in 2009 with public campaigns to make sure that not only were we resourcing to detect those issues but that we had our customers as an additional layer of eyes and ears on the ground with the ability to tell us about those issues. We did that through publicity campaigns and badged it for the first time as 'Stamp out fraud'.

We worked through that process. Members will be aware, from the very useful Audit Office report before you, of DCLG's commentary and consultations on fraud. Again, we took the learning coming out of that and matched it against our policy approaches. We were already looking at data matching at that point. We had established, internally in the organisation for staff, a whistle-blowing policy. That was back in 2006-07. We had dedicated staff on the counter fraud issue, not just tenancy fraud but any range of issues. We established a small but expert team in our organisation to bring some high-level intelligence-gathering into our organisation.

We did not specifically respond as a consultee to the National Fraud Authority guide in 2011, but we checked our activities to see whether there was any new learning from that. That is when we started to formalise the fact that we wanted a specific action under the banner of tenancy fraud.

In December 2012, we created a discussion paper, which was used in internal discussions to make sure that we learned from our managers and staff on the ground. That ran through to a presentation to our central housing community network, which I was with this morning on another issue. The network is a very active tenant engagement platform, bringing together reps from across Northern Ireland to test their views and appetite. We cranked up the issue out there by starting to describe it as fraud and ensured that our tenants knew why we were going down the path — the very serious issue — of making sure that tenancies are occupied by the right person. We disseminated that down through our local community network, so all the local tenant bodies got to put their mark on that activity.

That culminated in us going to our board with our first tenancy fraud strategy in April 2013. Knowing that activity was ongoing in the Audit Office, we devised an outline action plan of the new things that we wanted to do and work through. We waited until the report that is before you came out to check again whether there was anything additional that we wanted to do.

In October 2013, we went back to our board with the action plan, and we have been going through the activity in that until now. You will have the detail of the activity that sits within the fraud strategy and the action plan. We will go to our board with another refresh of that. I think that, with such a live topic, there will always be issues that we want to add. One recent suggestion from a member of staff was the use of fob activity to control access to, for example, multi-storey flats. We want to use technology as another form of intelligence to make sure that properties are occupied.

We have always balanced this by making sure that we are targeted in our approach. Members will be aware from representing their constituents that the vast majority of our tenants are honest and law-abiding. So, with our activity, we have tried to front a lot of what we do in our contacts and audits as, first and foremost, good customer service, by being there for and visiting our tenants and making sure that everything is fine at home. That provides us with the activity to make sure that houses are occupied.

We have undertaken some recent activity. We will hopefully be able to share with you the details of another planned and targeted audit, which picked up on some of the best practice to come out of the Audit Office report. One of the suggestions was to check repairs activity over the past two or three years. We decided to bring the timescale down and look at just one year. We will be able to share with you today where we are with that. That involved selecting 2,800 houses that have not had a repair in the past year — those that have not had active engagement with us — and going out to make sure that those properties are occupied. I am happy to share with you today the progress on that.

All this is being done to ensure that we give the issue the right attention, focus on the level of the problem with our stock, ensure that we are proportionate in tackling that problem and give confidence to the PAC and our board on that front.

Mr Cameron Watt (Northern Ireland Federation of Housing Associations): Thank you, Chair. Like my colleagues, I welcome the report. I think that housing associations have been doing a lot of good work through systematic, robust housing management, which has picked up tenancy fraud and other types of fraud. However, I accept that there is always room for improvement. I think that this report is helping all of us to develop a more structured and proactive approach, which, I am sure, will help us to do even better.

As the report acknowledges, for a number of years, our members have undertaken a range of tenant surveys, censuses and audits. That work has intensified in recent years, because of the prospect of welfare reform, and because it is business critical for our members to understand our tenants in more detail than ever. We have also had anti-fraud strategies in place. Housing associations have had to

have those as a regulatory requirement. We accept that dedicated tenancy fraud strategies have a role. Since the report, our members have been working in detail to develop, refine and adopt them. I am confident that, over the next few months, virtually every association will have one finalised and in place. We are working with colleagues to implement the rest of the recommendations, including establishing the Northern Ireland tenancy fraud forum, sharing good practice, running joint training with the Housing Executive, working on the more systematic use of photographic evidence, getting the information-sharing protocols in place, and what have you.

This is a valuable report. Associations have been doing good work, but we can do more. We look forward to working with colleagues to ensure that we refocus and reframe our efforts to do even better than we have been doing.

The Chairperson: Thank you. The recent 'Spotlight' programme mentioned a figure of over 2,500 and maybe more. Do you believe that that figure is right? Is it higher?

Mr Haire: Could you clarify what the 2,500 figure in the 'Spotlight' programme referred to in particular?

The Chairperson: Fraudulently occupied properties.

Mr Haire: I think that it came from the Audit Office calculation from the 2% process. As you have seen in the documents from DCLG, it extrapolated that level from a survey of 6,000 houses in London in that process. It is useful. It shows that there are real and sizeable issues in this process. It will take us several years of surveying. One of the big issues is to start working on regular audits of our process. Before we get a sense of that process, is that picking up a different structure of housing and population movement than we find in Northern Ireland?

As I said, there have been three surveys to date. In 2008, we had the work on operation blitz on nearly 10,500 houses. As Mags indicated, that brought 60 abandonment notices and 15 or 16 houses

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Ms Lightbody: 16.

Mr Haire: That was the detailed work we did in that detailed process. The Housing Executive did work in Lurgan, in relation to welfare reform, on 900 houses. I think that it found one house in that process. Fold housing association did a similar exercise with 750 houses. It did not find any. The Housing Executive is presently doing this year's survey of 2,800 houses that have not been in contact for over a year because of no repairs. That has not been completed, but indications are of a low level.

So, the answer is that I am not sure that that level is right. It will take us some years to do it. It is important that we get some sense of the metric on this issue. The key figure indicates to us that, every time a house is wrongly occupied, £89,000 of property is not being used for the right purpose. It is a sizeable issue. We need to get a size of it. We need to work out what is happening right across our stock and get a better estimate. At this stage, it is too early to say whether it is 1%, 2%, or that process.

The Chairperson: Mr Haire, the National Fraud Authority has estimated that the cost of tenancy fraud to the public purse is at least £1.8 billion, which is five times more than housing benefit fraud. That makes it the largest category of fraud loss across local government in England. Using the Audit Commission figures for England, the Audit Office, at paragraph 10, has projected that as many as 2,500 Housing Executive and housing association houses could be fraudulently occupied. What is your assessment of the number of social homes fraudulently occupied?

Mr Haire: As I described, our work to date has shown lower levels at the moment. We do not —

The Chairperson: Do you have a figure?

Mr Haire: The survey in 2008 gave us a figure of 16 repossessions. You have seen the abandonment levels that we have achieved, which are in the report as well. We see a lower level here. The point that I want to emphasise is that we recognise it will take some years of careful surveying of this work to get a sense of where exactly this figure lies in this process. In GB, the fraud authority has a sense that it is higher in that process after the first year. It is an area where there will be considerable work nationally to get a handle on this one.

I do not think that we are at the stage to say definitely where that level is. The point is that we see it as a significant issue and public resource that we need to be sure is being used correctly. There is a change of focus from saying it is just a housing management issue and a breakdown in contract relationship to seeing it as fraud and getting this focus on it. That is a useful focus and out of that, and if we work systematically, better value can be achieved from public assets.

We see it as a significant issue. We are not confident that we can yet put a figure on it at this level.

The Chairperson: OK, thank you.

Mr Dallat: Just to make sure that I got this right, Will, are you saying that out of a stock of 80,000 houses or whatever, it will take you several years to find out which ones are not occupied?

Mr Haire: Sorry, are you asking about checking the tenancy in all processes?

Mr Dallat: Yes.

Mr Haire: I am going to ask Mags to talk about the process. We are doing survey work. There is a whole process in place here. As part of the action plan, for example, all new tenancies will get photographic evidence of records of individuals. However, to do a survey of all 80,000 would immediately mean going to check and process every house. The housing management process should process that one. Regular surveys, as proposed by the DCLG, will give us time to build this issue up. However, to get the exact level will take time.

Mr Dallat: If this was the private sector, do you think that it would take them several years to find out which of the houses they owned were occupied?

Mr Haire: Sorry, it is checking the tenancy issue.

Mr Dallat: I know.

Mr Haire: We can take the ownership. We have checked those issues out.

Mr Dallat: I am talking about landlords who have tenants. Would it take them several years to check who was in their houses?

Ms Lightbody: Perhaps I can come in for the Housing Executive and let Cameron respond for the associations. Landlords are our core business, so in terms of —

Mr Dallat: Is yours not core business?

Ms Lightbody: That was the point I was making. Sorry, I was not clear. We could not wait about on any of this and we never have. That was a bit of giving you the assurances of what we have always been doing. We are going to be taking additional actions. We have the estimates from GB, specifically from England. We now have to test the extent of the issue. We have 88,000 houses that we must make sure every day are occupied and occupied appropriately.

From people applying for a house through to succeeding to a tenancy, we do intensive checks as part of our day job to make sure that the right person gets the right house. What we are doing through the tenancy fraud strategy, though, is getting into some of those other actions, such as targeted auditing. We did the major blitz a few years ago. We have done 2,800 houses. We are going to be doing those targeted approaches by way of an extra check to detect fraud. For example, 2,800 of our houses have had no repairs; that is not to say no contact. This particular blitz is just looking at those houses. Gerry will, perhaps, give a sense from the fraud strategy of the actions that are happening because we are not and never have been waiting on this critical and very serious issue.

Mr Gerry Flynn (Northern Ireland Housing Executive): I will add to that. To make contact and to try to understand who is in the properties, we look to the relationship between our housing officers, who are in regular contact with our tenants, and our technical staff, who are constantly visiting our units of accommodation. I will use the example of our heating servicing, where we have an annual servicing programme for our oil and gas installations, covering about 6,000 properties every month. Across the

year, we would hit over 70,000 of those properties. There is a process in place, whereby if we fail to get access, we follow them up.

On top of that, we are targeting these properties. We mentioned 2,800 properties. We took a sample across our maintenance database and identified 2,800 properties that had no requests for repairs in the past 12 months. On average, we get about three or four repairs for each property, so it had been suggested to us that something was perhaps not right. In following that through, we have closed out quite a significant amount of that work. To date, we have recovered a small number of properties, but there are still 200 or 300 of those properties to be finished. However, the results that we have been finding are consistent with the big blitz that we did in 2008 and with the smaller blitz that we did as part of welfare reform. We need to continue to do that every year, and it will be a targeted programme that is based on analysis of the data that we have and the contact that we have with our properties to support our day-to-day work.

Mr Haire: In addition, of course, there is the data-matching process, which is significant. We have the National Fraud Initiative every two years, and there is a matching process for the six-monthly reports that we get from the Department for Work and Pensions (DWP). There is a monthly data transfer between the SSA and the Housing Executive. We have a phenomenal amount of data-matching work that goes into our single investigation service, which also investigates the houses. So, there is a whole series of processes that look constantly at this issue and that drive at this question.

Ms Lightbody: There are extra triggers. Every time there is a change in anyone's benefit entitlement or core benefits, that will trip a trigger into our housing benefit system, which usually results in a claim being suspended and the case going into our rents system. All those flags will come from a number of directions that ask us to go and check. The vast majority are just changes in circumstances, but it lets us get a handle from every different direction on tenancy occupation, if I can call it that. The extent of the problem will be quantified and refined, and we will make sure that we are on top of it. There will be yearly audits, but we will keep refreshing.

Whether we have the same level of issue is an interesting point. If we look at the English analysis, we can see that the problem is more predominant with flatted houses. If we compare our stock profile to that in England, we can see that the profile of houses to flats in England shows that roughly 45% are flatted compared with houses. Seventeen per cent of our stock is flatted, and the vast majority of our stock comprises houses. Fraud is easier to detect in those circumstances, and on top of that, we have 800 front line staff who are out in communities actively looking for these issues and supporting our customers. We will also have those eyes and ears, in that if there is a sense that a house is not being occupied, a call will go in. So, we have quite a different profile. Seventy five per cent of the stock in Scotland, for example, is flatted. You will know that from the profile that came from Glasgow housing. That gives us a sense of things, but between ourselves, we need to carry out a review to get a firm handle. The estimates are very helpful in focusing everyone's attention and quantifying it to make sure that we have a host of actions to manage it properly.

Mr Watt: The 2% figure is very sobering, and, as the permanent secretary said, it gives us an indication of the potential scale of the problem. As I indicated, our members have been intensifying their efforts to survey and audit their tenancies. As I mentioned, in preparation for welfare reform, Fold and Clanmil Housing, which are two of the best-run organisations with the most robust housing management, have between them carried out targeted audits and surveys of around 1,250 tenants whom they considered might be at risk of the bedroom tax. Those 1,250 checks did not yield a single case of tenancy fraud.

Clearly, work needs to be done to ensure that, across the board in Northern Ireland, we are taking a consistent approach to identifying and quantifying the issue. As Mags Lightbody said, the fact that we have a lesser proportion of flatted stock is a plus. Also, about one quarter of our members' properties are in care and support schemes, meaning that they are supported specialist sheltered housing where you have an on-site presence every day, so there is therefore less scope for tenancy fraud. There are some smaller community-based associations with perhaps 100 or 200 properties that are walking the streets in a tightly confined geographical area every day. I think that, in those circumstances, there is less scope for tenancy fraud. So, I am encouraged that our members' initial work suggests that that 2% figure may be on the high side in estimating Northern Ireland's figures. However, we are in no way complacent, and we need to do more work to accurately establish the baseline and to tackle it.

Mr Easton: As we are all aware, housing tenancy fraud is the use of social housing by someone who is not entitled to it. According to the Audit Office report, there are six types of tenancy fraud.

According to that definition, how many instances of tenancy fraud have been detected in the past three years?

Mr Jim Wilkinson (Department for Social Development): Using the definition in the paper, abandonment has been the highest area of tenancy fraud in Northern Ireland. Mags and Cameron touched on that. That is not uncommon, in that the Audit Commission had a similar finding about tenancy fraud outside London's metropolitan areas. The Housing Executive has recovered around 800 properties over the past three to four years, and the figure is something similar for housing associations. When the Housing Executive started collecting the data, really from 2011 onwards, on average, it found that it has been recovering between 200 and 250, and for housing associations the figure is roughly between 100 and 120.

Mr Easton: So, between the two of you, 1,600 houses have been abandoned, with approximately 800 for housing associations.

Mr Wilkinson: Sorry, no, it was 800 over a four-year period. It is roughly about 300 a year. The Housing Executive has been collecting figures on abandonment since 2011-12. As my colleagues indicated, a lot of the issues on tenancy fraud, particularly with abandonment, will have been treated as housing management rather than fraud. So, it was not collecting the figures as a fraud total; it was collecting them to find out how many houses had been abandoned.

Where the specifics of some of the fraud cases on subletting in particular are concerned, I can say that those cases have been relatively minor. There have been a handful of cases rather than a significant number. It is mostly abandonment.

Mr Haire: My understanding at the moment is that there are three cases of subletting, one of which is with the PSNI. The Housing Executive has one case on false information for housing applications with the police. I think that 22 cases on false succession and unlawful assignment are in your system, and I also think that there are two cases on providing misleading information during a right-to-buy application. That is the present level, but abandonment is the big theme and the big issue.

Mr Easton: Were you indicating that the subletting issue was down to management mistakes, as opposed to fraud?

Mr Wilkinson: The abandonment category, which is by far the largest, was what the Housing Executive and housing associations have been treating as housing management, and, therefore, they were not notifying it through as fraud. Obviously, we have put new processes in place. Those will start from the beginning of this financial year, and they will be cited to the Department and to the Audit Office as fraud cases. However, until then, they were being treated primarily as housing management, with the priority being gaining possession of a property and putting it back into use. As I said, the other categories were relatively minor compared with that. Will give the figures for those.

Mr Easton: To go back to the abandonment issue, are you saying that you did not know about some abandoned houses but that, according to your figures, that was not fraud?

Mr Haire: Gerry will give a sense of the abandonment issue.

Mr Flynn: As the chief executive said at the beginning of the meeting, it was the badge that was attached to the action. In serving abandonment notices, our actions have always been classed as housing management. Under the definition of tenancy fraud now, those abandonments are called tenancy fraud. So, if you had to rebadge it, we would class the actions that we have been taking all along as dealing with tenancy fraud.

Mr Easton: So, is it fair to say that, between 2000 and 2012, the Housing Executive and housing associations recovered 368 abandoned properties?

Mr Flynn: On average, we are recovering about 150 or 160 properties every year and are serving abandonment notices to in excess of twice that number. The process is that property is identified as potentially being empty, you serve the abandonment notice, and, on many occasions, people come forward because they have been on holiday or caring for a relative. The process being followed completely through results in about 18 or 20 properties a month being recovered by us. That is all abandonment and, under the new definition, will be called tenancy fraud.

Mr Easton: So, will they all be treated as tenancy fraud until proven otherwise? In some of those frauds, have people been claiming housing benefit at the same time?

Mr Haire: We double-check that in the system. There are examples in the NIO report. We have checked, and, if I understand it right, the majority of those have not been claiming housing benefit. Obviously, we do those checks to see whether there are any questions. We have a process for fraud issues, and housing benefit is a very significant issue in itself. We have processes in place in the Housing Executive, which is responsible for the area, as well as in the SSA, which works on the process to look at that issue and to make cross connections to share information to check that all aspects are covered.

Mr Easton: Obviously, housing benefit fraud is attached to some of that. Is that right?

Mr Haire: There are potentially such cases.

Mr Easton: You do not know how many.

Ms Lightbody: The housing benefit trigger that we get often comes from eyes on the ground, with housing officers out doing their business and matching data with benefits and housing benefits. So, if someone were to make a claim for their main income support at one address and claimed housing benefit at another, that automatically sets off the trigger that something is not right, and it will cease the claim. We will then make contact. If we find that the person has been living at the other property and occupying it but claiming benefit, that will allow us to take the property back, take action against the tenancy and deal with the benefit issue. So, it triggers two actions.

Mr Easton: You will not know that they are claiming all their benefits from the one property.

Ms Lightbody: We will know that from matching data with the SSA's system. One of the key triggers in countering benefit fraud generally is that, as soon as there is any change of circumstances or any different addresses tripping up, the IT system is set to pick that up and will flag up that there is a question to be asked. Often, the answers are innocent, such as a new tenant who has not switched their main benefit address over, but it lets us ask the question.

Mr Easton: If they have not changed their mail for the benefits, no matter what it is, you will not know about it. Do you see where I am coming from? If a person is pretending to live in a house that he has under the Housing Executive but is living with his girlfriend and is subletting, and all his mail and so on is still registered to the address that he is meant to be living at, you will not know whether he is there unless those things kick in. However, that will not happen if he does not do that.

Ms Lightbody: You are right; the data matching would not trigger that. We would hopefully detect that through a host of other checks, such as housing officers being out or any issues with rent, etc. The data matching would not catch that, and we would have to rely on other actions.

Mr Haire: In 2012-13, 3,126 cases were referred to the housing benefit matching service, and 695 fell into the potential non-residence category. All referrals were investigated, and I think that 67 cases of claimant error were discovered. Those are examples of how we are using the database.

When we get the information, the Housing Executive will send cases to our single investigation service in the SSA. Further investigations will be made either of the data or by other means of surveillance to try to get a handle on the issue.

Mr Easton: I do not know whether you can do this, but it would be interesting to know how much housing benefit fraud has cost the Housing Executive. It would be interesting to get that breakdown, if you know what I mean.

Mr Haire: We will try to look at that and will come back to you on it.

Mr Easton: OK. I will move on to other questions.

Do you have figures for other types of tenancy fraud? What is the extent of the problem in subletting or false succession, for example?

Mr Haire: As I indicated, we have covered 22 cases of false succession in five years. On subletting, we are looking at two cases at the moment. You have examples here. Subletting is interesting. In the London market, where rental levels are obviously very different to the Northern Ireland situation and where there is a whole issue between what the market dictates and social renting, it seems that a very strong pressure is being produced. That is why, in fact, the focus of the English and Welsh legislation is on that issue. However, as I say, at the moment, our indications are that there are lower levels. The key point is that the cases need to be followed up and worked through.

Mr Easton: How many prosecutions have there been for tenancy fraud so far?

Mr Haire: To date, there have not been any in this process, because a large proportion of the abandonment issue has very much been looked.

Mr Easton: So, does that mean that, at present, there have been none?

Ms Lightbody: We are looking at two potential cases using the Fraud Act 2006. It is a general fraud Act; it is not specific to tenancy fraud. We do not have that legislation here, so it is currently not a criminal offence in Northern Ireland. Picking up on the report itself, we are taking — is it two or three cases, Gerry?

Mr Flynn: Do you mean processing cases? There are three.

Ms Lightbody: We will try to take three cases through as test cases using the Fraud Act 2006. The burden of proof is then clearly in a criminal space. It will be down to the amount of evidence and whether we get judgement through criminal process.

Mr Easton: Let me get this right: no one has ever been taken to court for tenancy fraud, because the law is not there to cover it? Is that what you are saying?

Mr Flynn: I will deal with that. Basically, what is now defined as tenancy fraud has, for many years, been classed for us as housing abandonment. Housing abandonment is a breach of your tenancy conditions. It is not a criminal offence. It is a breach of your tenancy agreement. The remedy for a breach of your tenancy agreement is recovery of the property. We do not have to go through the courts system to do that. A statutory process has been agreed. We serve a 28-day notice, and we use that notice to avoid going through the courts. So, all those abandonments that we have reported every year are done through administrative procedures that avoid the court process. You go to the court process only when somebody challenges that.

Mr Easton: Do you think that you now have the laws in place to do that?

Mr Flynn: What the legislation does now is add weight to the offence, in that it becomes a criminal offence and the penalties that go with it are much more stringent. Therefore, the focus —

Mr Easton: Have you not used it yet?

Mr Flynn: We do not have it in place yet.

Mr Wilkinson: Perhaps I could add that the legislation for processing fraud in Northern Ireland is the Fraud Act 2006, which lends itself to certain types of tenancy fraud that are being pursued, such as subletting and false information, which are covered by the Act on tenancy fraud. However, as the Housing Executive has indicated, its priority and that of housing associations, has been on abandonment, which is the recovery of property.

Obviously, any cases of abandonment and fraud that also had a benefit fraud would fall into the benefit regime. The English legislation that was introduced in 2013 and came into operation in 2014 relates specifically to tenancy fraud, with a particular focus on subletting as a criminal act. We are currently looking at that legislation through the Northern Ireland Tenancy Fraud Forum with a view to considering its applicability in Northern Ireland and its benefit. We are also monitoring progress in England on any cases that have been taken under that Act.

The Chairperson: We need to strengthen our legislation in line with changes that are being made across in GB.

Mr Wilkinson: Yes. As I said, we are looking very closely at tenancy fraud. We are looking at our Tenancy Fraud Forum to give us advice on that. We have analysed the legislation that was introduced in England in 2013, as well as some from 2014. We are looking at its key provisions on the specific category of criminal tenancy fraud from subletting and some legislative provisions to enhance data sharing. If we want to bring it forward, we would obviously do that for consultation. Should that new legislation be introduced in Northern Ireland, we hope to take it forward as soon as possible.

Mr Easton: Was there not a Fraud Act in 2006?

Mr Wilkinson: Yes. Maybe I should be clearer about this: the current legislative provision for tackling fraud in Northern Ireland is the Fraud Act 2006. The Housing Executive is pursuing three cases under that Act.

Mr Easton: OK. So, you are doing only three cases now, but, since 2006, you have not done any cases through the courts. Is that the case? You have been pursuing cases under this —

Mr Wilkinson: It is fair to say that no cases were taken under the Fraud Act until recently. Most of them —

Mr Easton: Is that not a bit poor?

Mr Watt: Having worked in social housing in England until a couple of years ago, I can say that, before there was specific legislation in England criminalising social tenancy fraud and making clear what that covered, English local authorities and social landlords would not have brought very many cases of tenancy fraud under the Fraud Act, for the reasons that we outlined. Looking at the impact of the new legislation in England and at whether it is having an effect and how it dovetails with our legislative position is really worthwhile, because I think that it might act as a stronger deterrent against tenancy fraud. I think that some of the provisions on data sharing might help social landlords to get quicker and better access to the data that they need to prove cases.

Ms Lightbody: Where the Housing Executive is concerned in that context, the Fraud Act 2006 covers Northern Ireland, not the tenancy fraud Act. We have been using a legal agreement with our tenants as the quickest and most effective means of getting our properties back, as well as of tackling any other issues, such as people who have given false information applying for a house. Our drive has always been to get the house back by the quickest route. We took legal advice on the use of the Fraud Act, following the patterns in Great Britain. Some of that legal advice — I am looking at the English application of the law — warned that you are then into court process, and it can take an experienced court process team 18 months to get a decision to proceed. However, just now, we are happy with the three cases that we think that we have been able to build intensively. It has taken a long time and a strong bank of evidence for us to approach the Police Service and the Public Prosecution Service (PPS) to say that we believe that these are criminal acts. Most of our actions have been successful using the activity just described, such as the Department's position. Similar to England and Wales, do we need our own dedicated tenancy fraud Act as a way to really quantify the issue? For landlords like ourselves, would that give us a quicker route to get houses back?

Mr Easton: Why are you using the Fraud Act and not the tenancy agreement for those three examples? Why have you chosen to go down this route now with these three cases? Is it because of the 'Spotlight' programme?

Mr Haire: It actually comes from the Audit Office report. As I said, we welcomed that very much. There has been a shift in thinking right across the British Isles about how to handle this issue. We have very much gone with that shift. As the Audit Office said, there are aspects and powers in the 2006 Act that need to be tested, developed and used. We do not necessarily need to wait for additional new legislation. So, we have been very encouraged by the fact that the Housing Executive is trying to make sure that we get some of those cases to see whether we can test that legislation. Therefore, with that experience, we can see whether we can use some existing laws, as well as having this debate, which we have to have, on whether new powers are necessary. It is particularly in the area of subletting that powers have been taken in GB. We want to know how big an issue that is in Northern Ireland and how best to deal with it.

Mr Wilkinson: It is worth reflecting on the Audit Office report. We agree that the vast majority of tenancy fraud will be detected and addressed through the actions that it has advised in the various positive housing management issues. There is also a legislative route for certain types of fraud. The Fraud Act lends itself to certain types of fraud, which are being tested to see whether they cover false information. The new tenancy fraud Act in England will lend itself to certain types of fraud as well, such as subletting for profit. However, the vast majority of tenancy fraud, as described in the Audit Office report and that we are finding, is abandonment, which neither legislative provision can deal with. Our legislation in Northern Ireland, with the serving of notices of possession, is quite far advanced and is a good route for dealing with abandonment, which is our primary issue. So, the other frauds are quite specific. We are testing some through the Fraud Act as it exists, and we are looking at provisions in the tenancy fraud Act in England.

Mr Hazzard: I want to come in on the back of some of Alex's questioning. Jim, you mentioned looking towards the development of the legislation in England over the past couple of years, especially on subletting. The 'Spotlight' programme revealed a similar issue with organised crime, where a loyalist paramilitary was shown to be involved in a similar practice. In England, is there the same focus on organised crime syndicates in the use of subletting?

Mr Wilkinson: Some of the Audit Commission fraud reports mention the potential for organised crime and that it can be a profitable area. The new legislation has dealt with subletting for a profit and the proceeds that come from that. That is one specific area in the tenancy fraud legislation in England that we will be looking at. Gerry might be better placed to comment specifically on some of the allegations.

Mr Flynn: Obviously, I cannot go into detail, because one of the cases that we are talking about is the case where someone has been subletting, and there is the potential for a criminal offence. So, we cannot really talk more about it. In such a case where there is a potential criminal offence, it is worth having a formal piece of legislation that could result in a criminal conviction. That would add weight to some of what we are trying to do here.

Mr Hussey: I listened to quite a bit of information here. You can get an information overload, and you may not get some of the answers that you are looking for. How big of an issue do you think that housing fraud is? How many houses do you think are being used fraudulently?

Mr Haire: As I said, the figure is 2%, which is 2,500 houses. That is taken from a London survey. The figures that we have from the Northern Ireland surveys indicate a lower level than that, but I believe that it is too early for us to say exactly what the figure is. That comes from the material that we have had to date. We have had three surveys that show lower levels when you are checking all those tenancies.

Mr Wilkinson: I suppose that there are three areas to triangulate it from. You have the Audit Commission estimate of 2%, which takes you to 2,500; you have the annual recovery of abandoned properties, which sits at around 300 to 350; and you have the specific blitz campaigns, which are coming in at around 0.1%. So, you have gone from 2% to 0.3% to 0.4% to 0.1%. I think that it is a case of carrying out ongoing work to determine the correct level.

Mr Hussey: I can understand Fold Housing Association not having an issue with this, because, clearly, it is supervised regularly. The figures show that 6,000 properties a month have a visit of some sort about oil, coal and whatever else. That is 72,000 houses a year. We have 800 front line staff. Are they housing officers, or are they in the local offices? Who are the 800 front line staff?

Mr Flynn: Those 800 are a combination of our housing officers, our maintenance officers and our planned maintenance technical officers, who are employed to work on big planning schemes. It is all those people who have a regular contact with the stock.

Mr Hussey: In most cases, you are relying on members of the public to report fraudulent activity. It seems to me that we could be more proactive in this, and, given that you have 800 front line staff, why can we not see a very quick tenancy audit? You are talking about that taking several years, but why would it take several years when you have 800 staff there and 6,000 houses a month that are being visited? Why are all these pieces not being brought together so that, in one go, we could nearly have this done in one year?

Ms Lightbody: The Housing Executive is not waiting years to see whether our houses are occupied. We have firm evidence of them being occupied. We are out in the houses and are over the door in the communities, and tenants are in contact with us regularly. So, on that particular decision this year, the blitz that we did was on customers who have not had a repair in a year. We are checking our systems; we will be on the phone; we will be in our offices; and we will be over the doorstep with them. We have a firm handle today on our properties being occupied. In the blitzes, our approach is to keep picking different areas each year to get to houses. We are out in the communities in serious numbers, and we do hear from the community, but we do not rely on that. We are the landlord. We are there every day for anyone who has not been in touch. The main issue is that it is a customer service. We go out to see whether our tenants are OK. We are using that to make sure that the property is properly occupied by the right person. We are not, and we would never consider, waiting years to see whether our houses are occupied. Customers —

Mr Hussey: I am not suggesting for one minute that you are waiting years for it to happen. What I am saying is that I do not believe that you have a firm handle on things. Certain people will not contact you because they will do the work themselves. In some instances, it takes so long for the Housing Executive to call around that they will do the work themselves. They will maintain their own property. Some people are very proud of their home, and they will carry on doing that.

Here we have a situation in which there is a possibility of housing fraud. That affects not just the Housing Executive but our constituents. We have people coming into us, looking for a home, on a regular basis. It is a home that they want. Never mind the Housing Executive: they want a home. As I said, I feel that a lot more could be done. You have 800 front line staff who are regularly out in the community, particularly in smallish towns such as Omagh. We had this discussion when I sat on the Committee for Finance and Personnel. For rating purposes, Omagh District Council sent its staff out to find out what houses were unoccupied. That was done very quickly.

Mr Flynn: We went back to do the repairs analysis because we generate over 400,000 repair requests a year. On average, there are four or five repairs a property. Therefore, you would expect some contact from the tenant. We targeted those 2,800 properties because there were absolutely no repair requests. That may well have been because some people were very proud and wanted to do their own thing, or perhaps they did not want to be disturbed. However, we felt that it was a potential indicator of people not living in those homes. We have almost completed that exercise. Of the 2,600 properties on which we have closed out our analysis, we have recovered five. One of the five properties happened to be that of an elderly person who is now in a nursing home. The family has now given up the keys to the property. Under the definition of tenancy fraud, that lady was committing tenancy fraud, because she was not occupying the home that was her home. Of the remaining properties —

Mr Hussey: Surely, in those cases, where somebody is ill or in hospital, the person can hold the tenancy for up to a year.

Mr Flynn: Absolutely, but we were not notified of what was going on. As far as we were concerned, the property was empty. If people have an intention to return home, they can keep their property. That lady has decided to give up her tenancy.

We have not completely finished the exercise. Currently, we have 83 live abandonment notices, where, to all intents and purposes, we do not have sufficient evidence that people are occupying the homes, but we have got to follow due process before serving the 28-day notice. Those 83 notices could give up to 83 tenancies or they could give up 10. We will know the outworkings of the 2,800 properties within the next four weeks. We will then sit back and analyse what we find from that exercise. We will look at whether we can build on that for next year, whether there is something that we can add to it in the middle of the year or whether we should have a different approach, and we will then try to focus our efforts, on top of the day-to-day work and the regular contact that we have with our properties.

Mr Hussey: Homeless people face major issues: bank accounts are difficult to get; people do not have a permanent address; and children who are living with their parents find it difficult, because they may be in one house today and another tomorrow. That is the case until they get permanent housing. That is a major issue. You referred to people applying for houses and having to produce various documents. That is how you are doing it now. If people have not been living in a fixed residence, they are not going to have that sort of information.

I do not see how taking a photograph of somebody is going to be that big a deal. People change over the years. Once, I was thin, but look at me today. I accept the idea of a passport, driving licence, or whatever, but those things are difficult to obtain if you have not got an address to which they should be sent.

It is my understanding that, from 2008-2012, £40 million was spent on providing temporary accommodation, and half of that was funded through housing benefit. Should alarm bells not have been ringing when, year on year, the amount continued to rise to the extent that, in 2012, almost £10.5 million was spent on temporary accommodation? Does that not cause major concern in the Housing Executive?

Ms Lightbody: A recent report documented the increase in homelessness. As well as being a landlord, our statutory function is to make sure that anyone who is in those dreadful circumstances is supported, gets accommodation and, where suitable, gets settled accommodation.

For some of the customers who present as homeless, temporary accommodation will be an option that they will need for a while. They may need lots of support before they are settled in permanent accommodation, if that ever happens.

We have seen the numbers going up, and we have to make sure that every property of ours is occupied to create those opportunities and that every property in the housing association sector is occupied. We have also been looking at private sector options to make sure that we can get people settled into accommodation. We have been looking at the newbuild programme, and so on, and maximising that.

The increase in numbers is a trend that we are in, and we have been part of the analysis and review. The Housing Executive's board strategy, working with DSD, is refreshing how we deal with that and trying to make us more creative in how we deal with homelessness, through having a range of housing options. A key issue is making sure that there are enough properties available for the people who are presenting as homeless.

Customers who come through our door saying, "I am homeless", have to go down a statutory route to be assessed and get their entitlement. In GB, there are more housing options when you come in the door. If you are able to settle straight away in permanent accommodation, get the landlord in up front and centre in those discussions. For people who need more support and help, temporary accommodation and the Supporting People services come in.

We are live to that issue, but you are right that it brings it to life when we wear both hats. We look after the homelessness responsibilities, so we must make sure that there is adequate supply and that, internally and in the associations, every house is used.

Mr Hussey: Three quarters of the cost of temporary accommodation was spent on private rentals. The landlords would have thought that that was a great idea. How much was that monitored by the Department? Was there any monitoring? What measures were used to try to address that figure? Three quarters of £10.5 million is almost £8 million.

Mr Wilkinson: To put the homelessness issue in context, the Department is very aware of the issue and has a robust homelessness strategy in place.

Homelessness figures over the past five years have been relatively constant, as have the causes of homelessness and the number of people presenting as homeless. Each year, the Housing Executive will have around 20,000 people presenting as homeless, and between 9,000 and 9,500 will be accepted as being homeless. The reasons that those 9,000 give for being homeless primarily include sharing breakdown, which makes up 30%; accommodation not being reasonable, 17%; and potential loss of private rental accommodation, 14%. Other reasons make up the rest. It is the responsibility of the Housing Executive to assist those 9,500 to 10,000 people in finding homes.

We have seen a shift. We may talk a bit more about this, and Mags touched on it, but how do you meet that urgent need? We have seen an increase in the private rented sector as an option for meeting that need. That has been categorised by a decline, relatively speaking, in hostel accommodation being provided, as individuals prefer to be housed in the private rented sector and bed-and-breakfast accommodation.

Therefore, the issue of homelessness has been fairly constant. There is a homelessness strategy in place to try to reduce it, and our strategy is to try to deal with homelessness before someone become homeless. The private rented sector, and Gerry might talk about this, is becoming a sector that provides accommodation. In Northern Ireland, 130,000 households are housed in the private rented sector.

Mr Hussey: I am going to go slightly off track, Chair, if you do not mind. One of the reasons that people present as homeless is that their present accommodation is not reasonable. Some private places become beyond a joke. People do not want to live in hostels. They want a home. I go back to the point that I made at the very start: people want a home. The bedroom tax issue caused major consternation. I do not think that even the Housing Executive has that many one-bedroom flats. You accommodate people in two-bedroom flats, which is the sort of minimum. That is the case in the private sector as well. People will have to be housed in a two-bedroom flat, apartment or whatever. In some instances, they are going to have to sublet to a second person in order to be able to afford it. The housing benefit will be based on one person, so the fact that you have two rooms is neither here nor there.

Mr Haire: There has been an active discussion about the whole question of bedroom issues and how those would be resolved here. I am not talking about that.

Subletting is acceptable in the system. The key point is the process. The question is whether people are doing it for profit or not doing it in an appropriate way in the process. In England, where they have the bedroom tax, one of the issues is that organised subletting is a key part of the process to resolve some of the issues. All of that emphasises the need for the broader issue of having very strong housing management of the social housing stock and the ability to have the information and the options in front of tenants to make sure that they get the solutions that they need.

Mr Hussey: I am going to come to the end, Chair, you will be glad to hear.

We have looked at a lot of things. Recovery has increased in England as a result of being proactive to address the issue. I feel that you believe that the figure is probably not as high as has been suggested by the Audit Office. Even if it were only 1%, that is still quite a number of houses. What are you doing to be proactive? You said earlier that you are going to do several years of surveying and all the bits and pieces, but what will you do proactively to try to get that done as quickly as possible? This is an issue that has to be resolved quickly, and then we can move to rehouse people who need housing and a home. It is the home that is the important issue.

Mr Haire: Let me start off. We touched on some of the survey work, but the key point is that all the actions put down as good practice in the report are the very actions that the Housing Executive is going through at the moment in doing the process. We are looking at the whole question of tenancy fraud. We have not decided yet on whether to have a dedicated hotline, but there is a 24-hour phone line for people to report the issue. We already have almost 60 specialist neighbourhood officers in place. We are doing the targeted tenancy audits that the NIAO and *[Inaudible.]* We are doing that work. We are looking at the question of a specialist tenancy fraud team. In fact, there are already five staff in the Housing Executive. We are trying to see whether we should broaden that issue to connect the housing associations. We are doing all the data-sharing processes. We are doing the publicity-raising of the issue. The Housing Executive and the housing associations are on the case on everything being done in GB to push the issue up and make it public. The question started off about size. It is important that we get a handle on what we really believe is the figure so that we can drive the issue. We are doing all the actions that are being recommended in GB.

You talked about the recovery levels in GB. Northern Ireland is above the recovery levels in the GB regions. We saw the figures. We are already achieving above those levels, and we believe that we can go even higher. Our legislation is better than GB's, because it is much quicker for that process. We are far from complacent, because, as you said, it is about getting people into homes, but we are on the case on a lot of things.

Mr Hussey: The main issue that I want to see resolved is fraud. Somebody keeping a home from somebody else is worse than anything else. The fact that somebody is keeping a home that could house a family is the main thing. That is my main concern. People are my concern. You can sort out the pounds, shillings and pence with whomever. We are worried about people. Unfortunately, Chair, I have to leave you now. I hope that our guests do not think that it is because of something that they said or did not say. *[Laughter.]*

The Chairperson: Thank you, Mr Hussey.

Mr Copeland: Will, if I may be familiar, I do not share your optimism about the levels of fraud. Those of us out knocking on doors, particularly in Belfast or other urban areas over the past couple of days, are aghast at the number of properties that appear to be unoccupied, yet some of them also appear on the electoral register. It is frightening, to be quite honest with you.

I am confused. There are two issues here. There is the Public Accounts Committee, which looks at the money, and then there is the stock management of the Housing Executive. This is the Public Accounts Committee, so it is the money aspect that I am as much interested in as anything else. A property can be lawfully occupied and yet still have a degree of housing benefit fraud going on in it, through having someone in the house who should not be there. Alternatively, the person who is in the house and who should not be there has another property elsewhere.

I have been dealing with housing for almost 10 years. Mags probably has not had the benefit of my emails yet, but her predecessor used to get them at 3.00 am on a Sunday. In fairness to him, he came back to me fairly quickly. It is not that I like torturing people, but the cry for people not to have a house but, as Ross said, a home is overwhelming. However, we have this mishmash — with due respect to all the components of the mishmash. We have social housing provided through the Housing Executive and social housing provided through housing associations. Both do a slightly different but equally commendable job within social housing. We also have a whole morass of privately rented landlords, some of whom are good and some of whom are atrocious. Any investigation into fraud concerning housing benefit in particular would be better swinging a long-term and a short-term lamp in that direction, but that is neither here nor there.

After that statement, I come to my first question. How does your Department ensure that the Housing Executive and housing associations view tenancy fraud as a high priority? It has been around for a very long time. We had the 'Spotlight' programme, where we went back to 2009. The history of this and the potential for fraud goes back an awful long way beyond that. Without going over all the same ground again, what reassurance can you give us that the Department has taken steps to ensure that this is regarded not only as a high priority but is treated as a high priority, because the two things are different? Perhaps Mags can say something on that as well.

Mr Haire: We recognise that there has been a shift in thinking from what was good housing management and dealing with it in that way. There has been a shift in thinking towards fraud. The Tenancy Fraud Forum has been set up in Northern Ireland, and there is information-sharing around that process. Therefore, we are getting the Housing Executive to lodge cases with the focus on that area. At the same time, I have a team in my housing division that has regular meetings with the Housing Executive on fraud issues, and that is linked into the system. A subcommittee of my departmental board focuses on fraud. You know very well, because we have discussed it previously, that housing benefit fraud is a major issue for us. We have very specialist teams involved in that process.

Mr Copeland: Fraud is dwarfed by error, both by customers and the Department.

Mr Haire: Yes, and you also know how we are driving both those down very significantly. We had considerable concern over housing benefit fraud, and we are working with the Housing Executive and our specialists. We have set targets for a reduction in housing benefit fraud. As you know, if welfare reform were to change, we could bring those things together. Somehow, we have to find a different solution. There is a whole series of processes, and we have a very strong focus departmentally on fraud issues. Like everyone else, we see abandonment as a core issue. It has come into our fraud structures, and we will drive that forward. As I said, the resources are there, and we are focusing on that process. It is early days, but the move that took place in GB was paralleled by the move in Northern Ireland. The Housing Executive was very proactive in leading that. That is the sign that we take tenancy fraud very seriously. We share your commitment on the issue. It is about making sure that the houses are used for the purposes of the needy.

Ms Lightbody: I will not bore you again with the years of action that we have been through.

Mr Copeland: It was not boring.

Ms Lightbody: We keep refreshing the action plan. We already have additions to make to it. We have been working with the National Fraud Forum, which has fairly commended the work done to date

and checked everything that we have done to see whether we are missing anything. Its sense is that we are pretty much doing everything that it would recommend as good practice. The best practice focuses on strategies that deal with prevention, because that is always the better bit, so it is about building cultural awareness with staff and our customers of the impacts of tenancy fraud and the consequences for folks who commit it.

The strand after prevention is detection. We have been bolstering our issues there on how we get more staff out in the communities. We are making sure that we are live to the issues such as data-matching and to how we can gather from modern technologies all the triggers that tell you that there is something to go and look at.

You will see from our evidence that the vast majority of cases are genuine and innocent, but we are finding the perpetrators of tenancy fraud and taking action. The bit that we want to keep focusing on is the find strand, which is the response once you find tenancy fraud. Huge successes come from using the breach of the tenancy, be that through non-occupation or whatever, to get people to hand back keys. That lets us get the property into occupation as quickly as we can with the least cost involved.

In cases in which we have our suspicions and there is denial, it is really intensive. In one particular case that has been on our radar and that came through whistle-blowing from our colleagues in the fraud office, there have been 30 visits in six months alone by our front line teams to try to detect fraud and build enough evidence. Those are the cases in which we see whether we can build enough evidence to use the Fraud Act. That is our penalty. We need to get some cases to highlight publicly that we are willing to use criminal legislation to deal with fraud, not just the tenancy bit. We will keep on doing that. Hopefully, you will get enough of a sense of how important it is to us, wearing a homelessness hat and a landlord hat. I am sure that Cameron will want to comment.

Mr Watt: As a recognition that we have been taking this seriously, I will point again to the recovery levels that we have had over the past four years, which, as colleagues have already pointed out, are better than those in GB. That demonstrates that we have been taking the issue around abandonment very seriously and have been effectively dealing with it, although we do want to do more. As a result of the report, we are refocusing, reframing and re-intensifying efforts to support tenants at every stage. For example, at tenancy sign-up stage, there are pre-tenancy classes so that our tenants know their rights and responsibilities. We raise the awareness of fraud, encourage people to report it and tell them how they should report it. We and the Housing Executive are doing early tenancy visits in the first six to eight weeks. Increasingly, we will do those unannounced following the evidence and the recommendation in the report that more of those visits should be unannounced to help detect fraud.

Like the Housing Executive, our members are doing targeted monthly estate visits. Apex is recruiting active tenants so that, on each estate, there is someone that it can go to who has a particular knowledge. It is walking the estate with those active tenants to identify anything suspicious and any properties that seem not to be occupied. It is making it easier through a range of means, including modern media, for people to report the problem. Apex has done the tenancy audits and surveys on a three-year rolling basis, and it is now going to audit 100% of tenants every year, partly to deal with this issue.

There is definitely more that we can do. Clanmil Housing, for example, is using technology more smartly. Mags mentioned key fobs, and Clanmil already has that key fob technology, and quite a number of its schemes are using key fob data records as well as CCTV evidence to establish exactly who is and who is not using a property in a flatted block. Work is ongoing to make photo ID systematic. Housing associations, along with the Housing Executive, are beginning to ensure that tenants have photographic ID at sign-up. There are areas in which we can do more, such as on the information-sharing protocol.

I hope that that gives you a sense that, between the Housing Executive and housing associations, social landlords here are on the case. We are taking this seriously and recognise that we can do more, and we are working together to improve further.

The Chairperson: I will allow Mr Girvan and the Deputy Chairperson to ask brief supplementary questions.

Mr Girvan: I want to ask about that very point. We are hearing what you are doing and what you intend to do, but if we look back to 2011-12, 363 properties were brought back in by process. There obviously must be some areas that are performing very well, but, according to the documents

provided, there are a number of offices in which not one property was detected. I am thinking of Banbridge, Newry, Armagh, Antrim — I represent the Antrim area — and Limavady. Is there a reason for that? Is it possible that those offices have taken their eye off the ball because of other priorities, or are those areas occupied by very law-abiding citizens? Is it the complete opposite? Is there a fear to act on tenancy fraud because of the potential ramifications of knocking on doors? I want an honest answer to that, because I know that staff sometimes do not go to certain areas because of what might happen.

Ms Lightbody: I will bring Gerry in on some of the detail. However, driving that consistency was a big thread of the training for all our staff. We wanted to raise awareness of tenancy fraud. Part of a housing officer's training is to do those regular visits and to learn what to do when it is suspected that a property is empty or not occupied by the right person. There is a process to go through.

You are right. Gerry and his team have been looking at using indicators of other trends of good practice or bad practice. We chose to do training and used the National Fraud Forum specifically on that. All front line staff were trained in how to deal with tenancy fraud, how to see it, how to action it and then how to create an easy process in the organisation to get consistency in how it is recorded. I will bring Gerry in on some of the specifics.

Mr Flynn: It is a valid point. There are things that we look to in order to triangulate where we focus our energies. Where, in a given period, we have offices that do not report any instances, it could be because of a mixture of the things that you mention. It could be because all the stock is occupied — there may be no flats — or because there are inconsistencies of approach. As a result, we have invested in retraining everyone in a consistent way of reporting and recording tenancy fraud. We have set up a system to manage the data, and that will help us to take a broader overview. You can see in recent years that there is a spread of reporting right across our offices.

We will continue to monitor all that information, with a view to helping us focus particular exercises on an annual basis to supplement the day-to-day work. There is a view across the piece that no matter what the stock is, there is a chance that some of it may not be occupied. Where an individual office reports absolutely no unoccupied properties, it could be right, but the trigger process will be used to follow up on that assertion and check it. We will do further audit work ourselves and perhaps do a mini blitz on a particular estate.

I was interested to hear the comments made earlier, particularly by those of you who have been electioneering recently, about the number of properties that you have come across that are empty. I would be keen to follow up on that with any Committee member who has information. I am sure that you did not record all the addresses that you visited, because you have enough to do, but such things can add to what we are doing day and daily. The public reps are out there, and they can find out these things. There may be a genuine reason, but it does no harm for us to follow it up.

Mr Haire: You will remember that, in the 'Spotlight' programme, Budget Energy, I think it was, found 133 empty houses. Obviously, we checked those out. I understand that, of those 133 houses, 36 were Housing Executive houses, two of which you think were in abandonment, and 13 were housing association houses. You checked those tenancies, and all of them were fine.

Mr Watt: They have all been checked.

Mr Haire: The rest, therefore, were private sector houses. As you know, on many of our Housing Executive estates, only a minority of properties may be Housing Executive-owned and there are a lot of private houses. In that one example, we checked that issue and found two abandoned houses from the social sector.

Mr Girvan: I appreciate that we are dealing with tenancy fraud here as opposed to the possibility that some of those are benefit fraud issues, where housing benefit is being claimed by private landlords. They may well have no tenant or a tenant who is in receipt of housing benefit but not necessarily living there. That is another very serious thing and it is a fight for another day, but it is still public money. I am focusing on the inconsistencies between one area and another. If you go five miles down the road to Newtownabbey 1 and Newtownabbey 2, you will find similar numbers of properties where that is done, but if you go another five miles up the road to Antrim, you find none. It does not add up.

Mr Watt: Some of the variation in the numbers will clearly be down to variation in practice. We will be working with colleagues in DSD, the Housing Executive and the NIAO to make sure that the high

standards of practice are rolled out across Northern Ireland. It is to be expected that there will be big variations according to whether the area is a high demand or a low demand area, whether it is urban or rural or whether some of the stock is specialist or supported. It will be a combination of some variation in practice and the big variations in the type of stock and where that stock is.

Mr Dallat: I just want to make a brief intervention. Mr Watt, you certainly create the impression that you have been extremely proactive on this whole thing. How many housing associations are in your federation? There are 33 listed here.

Mr Watt: At the moment, we have about 25 registered housing associations. The number of housing associations is dropping all the time because they are consolidating. A lot of the smaller care and support providers and community-based associations are merging with other associations. At the moment, we have about 25 registered housing associations.

Mr Dallat: You mentioned a couple of housing associations in particular as, I assume, exemplar material. Apex recovered four houses in 2009-2010. You also mentioned Clanmil, which recovered two. However, in the same year, 14 of your housing associations recovered none and indeed, in the next year, recovered none. In the third year, when they were amalgamated, 10 housing associations recovered none. That is not exactly a good performance, is it?

Mr Watt: A high number of those are specialist care and support providers. The list includes the likes of Abbeyfield, Wesley, Craigowen and others that are specialist care and support providers and have an on-site presence in sheltered and specialist and supported housing schemes. I would be astonished if some of those reported any tenancy frauds. It would be a big failure of the association if there were any cases.

In others, for example, the likes of St Matthews in Short Strand, which has 188 properties in a very tightly defined geographical area —

Mr Dallat: Alpha has 3,402 properties and managed to recover four. They were not all sheltered houses.

Mr Watt: I am sorry, are you talking about Clanmil or Alpha? Alpha, again, is all sheltered housing, so I would be astonished —

Mr Dallat: I am sorry — Apex.

Mr Watt: Overall, Apex —

Mr Dallat: That was the one you held up as an example.

Mr Watt: Apex has good, robust housing management in place. It has a very good tenancy strategy, and I would be happy to share that with you. It is doing estate visits.

I would point overall to the level of recoveries, which has been pretty consistent. Again, it is difficult to get a baseline, but the baseline from GB would suggest that overall, from our movement, the 0.4% is a pretty solid record.

Mr Dallat: Let us take the Northern Ireland Housing Executive as the baseline. You are not even in the running.

Mr Watt: The level of recoveries for the Housing Executive and associations is comparable.

Mr Dallat: Not in my book.

Mr Watt: I do not know which figures you are looking at.

Mr Wilkinson: It is 0.3% for the Housing Executive and 0.4% of total stock for the housing associations, so they are probably similar.

Mr Dallat: OK, I will come back later.

Mr Copeland: I think paragraphs 34 to 38 of the Audit Office report give it that housing associations have no tenancy fraud strategy and the Housing Executive got one only in April 2013. Would you agree that having a strategy amounts to only having a bit of paper unless you implement it and do something with it? Could you give us some indication of the timescales for the implementation of the strategy in both sectors?

Mr Haire: Absolutely. A piece of paper: it is about what you do with it in a process. You have the action plan already. You have the process. The actions are already being rolled into place. The action plans being put in in Northern Ireland are very much in the same timescale as what has happened in GB.

Mr Copeland: So, it is being implemented as we speak.

Mr Haire: Absolutely. The process was put in place in 2013 following the development in 2012. We have to get all the federations. They are working it through and are committed to getting that in place. We will then regularly monitor that departmentally and be able to come back and see where we are coming in this process, work that through, see what central initiatives we have to take in that process, especially in the question of publicity, and see how it connects into our wider fraud strategies and put that in the process. We are in the early days.

Mr Copeland: Are any sanctions built into your strategy should those who are charged with implementing it on the ground fall short of the mark in your view?

Mr Haire: There are two elements. One of our housing association guidelines is that we put that clear process into place. Therefore, as we are the regulator of it, we will do that process and that becomes part of the regulation. The housing associations are clear about the regulations and work strongly to make sure that they fulfil their obligations.

Likewise, we have strong governance processes with the Housing Executive. We have regular meetings at a variety of levels to check what is being delivered in that process. Obviously, we also have the NIAO as our external auditors looking at this process. There is a whole series of processes that are working through this.

At the same time, this fits into a departmental-wide anti-fraud strategy and our fraud work in the SSA, and regular systems link those together. A key service that everybody receives is our single investigatory service in the SSA, which acts on behalf of everybody. It is connected and focused.

Mr Copeland: With all strategies, whether tactical or strategic, you know at certain stages where you are supposed to be and whether you are there. It is how you intend to track. It is fine having a strategy; it is a starting point for everything. It is fine getting it rolled out, but, unless you are able to monitor and check progress against the milestones that are built into it, it becomes difficult. I do not want to go into the details, but are you content that the milestones and checking mechanisms are there and that there are sufficient branch lines from the strategy to fulfil the objective?

Mr Haire: The overall strategy has been in that process from the outset. You have been questioning me a lot about the size of the problem and the issue here. I said that we still need survey work to get a stronger feeling on that issue. We have the management information put into the Housing Executive and the reporting systems are now starting to flow, so we get the suspected cases, and we will work that through to the system. We then have to get all those templates through. It then becomes connected with our housing benefit fraud work and becomes a subsection of our fraud strategy, and is reported on that basis.

The Department has strong systems in this area, and it fits naturally into that area. It is a complex bit of anti-fraud activity because there are some complex cases, and it is a question of how you get that process and people moving and what their intentions are. However, we want to get that correctly done.

Mr Copeland: In my experience, the housing benefit section of the Housing Executive performs in a fantastic manner, certainly in getting back to any queries that I have had. It does not tend to be associated with fraud.

The starting point for it all is housing benefit and payment, because, if you have a tenant who is not receiving housing benefit, it is unlikely that they are going to be committing benefit fraud. That is not to say that everybody who is on housing benefit is going to, but it is certainly more difficult for them if housing benefit is not in payment. So, the starting point for it all is where housing benefit is in payment. Beyond that, if you bought a television set recently, you would have somebody knocking your door within two days wanting to know whether you have a TV licence, so there are ways in which state agencies can check and, to me, they do not involve rocket science. Will, again — sorry, you are getting the brunt of it — why, before now, did the Department not require a dedicated tenancy fraud strategy from both the Housing Executive and the associations, when the evidence from England was pinging on the radar showing that there was an issue?

Mr Haire: As you said, the evidence pinged in GB straight away. It was actually one month later, after the GB statement, that the Housing Executive was already working on the issue and broadening it out. We are seeing lots of initiatives from GB —

Mr Copeland: Did the activity in Northern Ireland start within the Housing Executive or within the Department?

Mr Haire: It was the Housing Executive that led on the process here, because it was connected into the process.

Mr Copeland: I did, with respect, address my question to the Department.

Mr Haire: The point is that we were aware of the work because we were also obviously aware of the blitz 2008 stuff. We knew that they were on the case, and we picked up very quickly that they were doing the consultation within a month.

Mr Copeland: Would it be true to say that, in this case, the Housing Executive was ahead of the Department?

Mr Haire: Absolutely. We work in close partnership on the issue.

Mr Copeland: Credit where it is due. I am a big fan of the Housing Executive.

Will the housing associations be required to produce tenancy fraud strategies? At what stage will they be required to produce them or will they be bound by the strategy tailored by the Housing Executive? How will you ensure a coordinated, strategic approach across all local social housing providers?

Mr Haire: The housing associations have committed themselves to producing those. It will become part of the regulatory requirement. As you know, we do regular revisions of our guides, and, the next time, it will go into that process to make sure. At the same time, you are asking about best practice and how it is gathered together. The tenancy fraud forum will be the body that will make sure that connects.

Mr Copeland: I just want to get it right in my head. So, originally, the provider of social housing was the Housing Executive. Then, for reasons that are historical, we developed the housing associations on the fringes of that. Are we now going to replicate that slight disjointedness by having one set of protocols adopted by the Housing Executive, which is responsible for housing benefit, and a self-policing set of protocols brought forward by the associations, or is it going to be a standard strategy, instead of protocols, across everywhere? Housing benefit is the source of all of it, and that comes through the Housing Executive.

Mr Haire: On housing benefit, it is acting as an agent of the Department.

Mr Copeland: I understand that, but it is the source.

Mr Haire: The issues are wider than housing benefit, as we have described.

Mr Copeland: I understand that, but it is a starting point.

Mr Haire: I suppose the answer is that we are not laying down one template to say, "You must do exactly this process". I will be extremely surprised, when all the housing associations have produced their strategies, if they are not fairly similar. Cameron made the point that small associations where people are actually walking — the St Matthews solution — will be somewhat different from the Apex solution. The processes in the folds or the sheltered housing where people are dropping in with tenants three times a day will be somewhat different. That is absolutely right. People should do it the right way, but there will be commonality and, clearly, as we regulate and look at those things, we will want to check that we are happy. It will be done in a collective process. I am sure that that is what Cameron is seeking to achieve. That is the culture in which the associations are working.

Mr Watt: Housing associations are already far advanced in developing their strategies. By late summer/early autumn, we will have almost complete coverage of the finalised strategies.

Mr Copeland: Who is responsible for the approval, if approval is necessary?

Mr Watt: In the first instance, the board of each association is responsible for ensuring that it has robust governance procedures to tackle tenancy fraud and all other aspects of housing management. The Department, in its regulatory capacity, will ensure through its inspection process that those controls are robust and that associations' tenancy fraud strategies are adequate and strong.

We are working across the piece with the Department and the Housing Executive through the Northern Ireland tenancy fraud forum to share draft documents and good practice, so that we get consistently good practice across Northern Ireland. For example, the housing associations and the Housing Executive have had joint staff training in that area. We are working on a range of activity together. So, although each association may have a slightly different approach, I think that we can be confident that there will be good, robust systems in every association, as a result of sharing good practice, and as a result of the baseline that the housing association guide will provide.

Mr Copeland: Finally, I noted Will's comments about some of the smaller housing associations. You will be very aware that the activities of some very small housing associations in certain matters such as allocation had ramifications that shook the whole system to its core. So, the fact that they are small does not particularly matter. What matters is the fact that they all operate in a broadly similar manner and do not disadvantage any section of the community for any reason. That is why I am a great believer in standard regulation right across the board, if that is at all possible, or vis-à-vis protocols.

Mr Dallat: Maybe I can go back to the issue of collaboration. To pick up on your last point, Mr Watt, is there collaboration between different housing associations to find out who might be a potential fraudster?

Mr Watt: There is collaboration in tackling that through sharing good practice. At the moment, there is some information-sharing between associations. We also have an information-sharing protocol with the Housing Executive, which can hopefully help to tackle tenancy fraud and other issues. To be as fully effective as we want and need to be on the matter, we need better information-sharing with, for example, utility companies, so that, if we suspect that a property is not being used, we can get, as of right, the information that we need from NIE, Phoenix or whomever to see whether electricity and gas are being used. So, there is sharing of information and good practice across associations and across social landlords more generally. I think that information-sharing and better information-sharing protocols are really important.

Mr Dallat: To what extent are the housing associations participating in the National Fraud Initiative?

Mr Watt: Up to this point, the National Fraud Initiative in Northern Ireland has entirely involved public sector bodies. No non-statutory bodies have participated in the National Fraud Initiative. As you know, although housing associations deliver a major public service, we are charitable organisations and social businesses.

As you know, one of the report's recommendations is that housing associations consider participating in the National Fraud Initiative and other data-matching exercises. We worked with the NIAO to get a briefing explaining the National Fraud Initiative and what it might offer to associations. We also hosted the NIAO at one of our housing management seminars with members to explain the National Fraud Initiative and how it might help associations to tackle tenancy fraud and other issues. As a result, Helm Housing has already signed up to participate on a trial basis in the next round of the National

Fraud Initiative in Northern Ireland, which, I think, is encouraging. I know that one or two other big associations are seriously considering whether and how they can participate in the next round of the National Fraud Initiative. So, we are very open to using it. If two or three big associations participate in the next round on a trial basis and that goes well, we can hopefully broaden it out to the rest of the movement for the round after that.

Mr Dallat: How much of this activity is generated through the tenancy fraud forum?

Mr Watt: The tenancy fraud forum is relatively new, but I think that it has already been useful in getting joint training between the Housing Executive and housing associations, for example, and experts have been brought over from GB to do awareness-raising. There are also issues around information-sharing across social housing, for example. We are addressing those through the forum. We have had only a few meetings; we are still in our early days. We are developing a work programme, and I think that it will be a very useful vehicle for ensuring that we get consistently robust action across all social landlords.

Mr Dallat: It seems, Mr Watt, that there is a lot to do.

Mr Watt: I think there is a lot more that we can do. We could use the latest technology, such as the National Fraud Initiative and the housing management tools that allow us to get better information. I spoke about the key fob data, for example. New tools are coming along all the time. We are starting from a sound base of very good, robust housing management in the Housing Executive and in the housing associations. Codifying and unifying a lot of that action, with a specific focus on tenancy fraud, will allow us to do even better.

Mr Dallat: You mentioned your relationship with the utility providers. At what stage is that relationship with electricity, telephone, water and so on?

Mr Watt: Up to this point, when our members have tried to get access to information from utility providers, particularly the electricity companies, it has been hit and miss. Sometimes, they have been able to get access to information about whether electricity is being used and how much is being used. Since a lot of meters are on the outside of homes now, some associations are training their staff to be able to read whether electricity has been used. At this point, we are yet to formalise information-sharing protocols, and I know that the Housing Executive has been leading on that. Gerry may wish to comment. We hope that, as the Housing Executive formalises those, we will be able to arrange similar protocols for our members.

Mr Dallat: If you are on the Public Accounts Committee long enough, you see that it tends to come back to the same things again. Will all the things that you have set out be accomplished in, say, four or five years, when there is another Public Accounts Committee, of which I will not be a member?

Mr Watt: I am confident that we will have made very good progress. As I said, the report is very useful. It has a number of practical actions that we have been progressing in the months since it was published. I am confident that we will make good progress in the next couple of years, working with our members, partners in DSD, the Housing Executive and the NIAO.

Mr Dallat: Would you be happy to provide a progress report on a regular basis on what you have just promised?

Mr Watt: Ideally, I would like to dovetail any progress report to the Committee with a regulatory inspection requirement.

Mr Dallat: Mr Watt, I know that you are very keen to involve the Housing Executive in this. I am quite competent to ask them their questions. I am focusing on the housing associations.

Mr Watt: I am happy to provide progress reports. In order to minimise the already significant compliance requirements that our members face, I would like those to be aligned with our regulatory requirements, for example, which are being enhanced by DSD. One of the report's recommendations is that housing associations and, I think, the Housing Executive, report progress against the broader range of measures for tenancy fraud and not just the recovery of abandoned properties. So, in order not to create a whole new reporting mechanism and data-gathering exercise, I think that it would be in everyone's interest to align our updates to the Committee with, for example, the data that is being

collected through housing associations' annual regulatory returns. Yes, we are absolutely happy to report against progress.

Mr Dallat: Finally, you made it very clear that you are a charity, but you are aware that you consume a lot of public money, hence the Public Accounts Committee's interest in how that money is spent.

Mr Watt: Absolutely. We are social enterprises, but we are also charities. We are providers of a major public service. Housing associations are matching government investment pound for pound to build new homes. It is a very successful model and allows a lot more social housing to be provided in Northern Ireland than could be provided through public investment alone, but, as providers of major public services, we recognise that we are fully accountable. We are, of course, subject to regulation from DSD, as the housing regulator, the new Charity Commission and the RQIA for care and support services. We fully understand our regulatory obligations and seek to fulfil them as well as we can.

Mr Dallat: Ms Lightbody, just in case you feel left out, are you prepared to give the Public Accounts Committee the same undertaking?

Ms Lightbody: Absolutely. We will report on our action plan to the board, and I am happy to give data to this Committee in whatever frequency and whatever form suits.

Mr Dallat: That is fine.

Mr Hazzard: Ms Lightbody, on the back of what the Deputy Chair asked, do you feel that the Housing Executive has made enough of credit data matching in the North? We saw throughout the report that it has been used quite effectively across the way in Britain. Is there scope to improve what we are doing here?

Ms Lightbody: Eighty per cent of our customers are in receipt of benefit support, and we use that to do the host of data matching through public systems. However, for the 20% of customers who pay rent to us, we have been looking at the use of credit reference facilities. We have been pricing that up. We have to make sure that our actions are proportionate. We will use that as a facility when we have suspicion and other triggers rather using that for every customer. As soon as you make a credit reference check, you leave a footprint on someone's credit history of a check having been done. We want to check the costs of that and use it proportionately. However, it will be a useful piece of intelligence in the puzzle for us.

Mr Hazzard: Across the board, we have heard quite a bit about the MBUS team or the forum across the way. Who is taking the lead in that collaboration in the North? If we are looking at sharing good practice across each organisation, who is responsible for taking a lead and disseminating that information throughout the systems, be it in housing associations or the Housing Executive? In two or three years, how do we know who to hold to account if the sharing of good practice has not worked?

Mr Haire: The lead connection into the national fraud forum is the Housing Executive. It is a joint collaboration. The local one is a joint collaboration between the Department, the housing associations and NIHE. Ultimately, the Department has to be responsible because of its oversight of public money, and it has to take the lead. However, with the best practice in other issues, we got very active involvement and connection through the Housing Executive. It is a genuine partnership process here, but the accountability line ultimately comes to the Department first, and we then connect to the Housing Executive and housing associations.

Mr Hazzard: Do you feel that dissemination of the good practice is getting to neighbourhood officers and right down to the areas where it is needed?

Mr Haire: One of the early actions was a full action. Three hundred staff from the Housing Executive and housing associations undertook training last autumn and in early spring. That is my understanding. That has been rolled out for all staff in the process. The key question is this: how do you make sure that it gets to all staff? The point has been made about the importance of consistency in all offices, and you have a common reporting system and, if I understand it right, techniques and software to do that. That will also hopefully put that process in place. There is a real capacity to do that, but it takes time to make sure that all those things are in place.

Mr Hazzard: Finally, I will pick up on the capacity. We are going into a process with RPA, and there will be an increased number of community agencies and an increased amount of community activity at a level that we maybe did not have before. Do you see that as a help or a hindrance? What potential is there for increased collaboration at a community level that we have maybe not seen before?

Mr Haire: The Housing Executive has a very strong tradition of having a strong connection with the community, and there is a big focus on that. I think that is something of which it is very proud.

Mr Flynn: You make a very valid point. Look at the structure of the Housing Executive. We have kept our local outlets but have reconfigured our management arrangements around the potential shape of the new councils, so that we are providing services in accordance with those broad council boundaries. We increasingly work with our community network, which is out in our communities, day and daily, to help us shape and improve our services. As we move forward with the setting up of the 12 new super-councils, there is huge potential for us to work closely with them in the services that we deliver, bearing in mind that they have powers to develop community plans. Housing is the key element of community planning.

Mr Hazzard: I definitely agree. Looking at it from the perspective of Down District Council, we have the Housing Executive and council in the same building. We would like to think that there is potential for cooperation. Are there plans in place for that? Are you working to work plan or schedule to start that engagement, or is it still sort of in the ether? Is it an idea that collaboration will be easier with RPA?

Ms Lightbody: Gerry will come in with more detail. I am arranging to meet the shadow executives in the new organisations to discuss how we can best work together. As to formal arrangements, we will go round the councils as we do every year with our district housing plans, getting down to the detail of what is happening in local areas and giving the opportunity for joint working. I am fairly extensively engaged just now, but with RPA it is time for us to refresh and see if we can do things differently.

Mr Flynn: The only thing I would add to that is that we have just come from our board away day, at which, as a regular theme, we intend in future board meetings to pick each of the district councils and discuss our connection with them. We will ask what are the key issues that face them and start to build those networks as we move forward.

Ms Lightbody: Instead of meeting in Belfast, we will take our board meetings out and about to connect with the councils in that way. That is one of our ideas.

Mr Watt: Similarly, housing associations recognise that we need to work more closely with local government, particularly with local governments taking on planning and regeneration powers. If we are going to get new social homes built where they are needed, we have to have very good links with the officials and councillors. And so, the Northern Ireland Federation of Housing Associations (NIFHA), as the trade body for housing associations, will facilitate much closer engagement with local officials and all the new councillors. I think that cooperation will be primarily around the planning and delivery of new social homes but, obviously, those relationships can, hopefully, help in tackling tenancy fraud and other issues.

Mr Hazzard: I have just one last point that I forgot to mention. We talked about collaboration with Britain, but what about cross-border collaboration? I am sure that there are bound to be examples of subletting in both jurisdictions on the island.

Mr Watt: They are only now establishing formal regulation of social housing in the South. I am about to go to Glasgow where the four federations of housing associations in the UK, and the five regulators — including the emerging regulator in the South — are joining us to try to share good practice. Tenancy fraud is something I will raise. If there is work that we can do on tenancy fraud across the border, we will certainly look at doing it.

Mr Flynn: Your point is well made. We have had previous connections, particularly in our Newry and Mourne offices, with Dundalk Council. In the past, as an organisation, we have worked with the corporation in Dublin. However, as this is now a national initiative, there is scope to expand it into the South.

Mr Rogers: Good afternoon, everybody. Paragraph 42 states that the approach to tackling tenancy fraud in Northern Ireland is quite "unstructured". Granted, you said that the tenancy fraud strategy is a working document at the minute. I look at point 11, which states that, in order to tackle tenancy fraud the Housing Executive can take reports by phone about tenancy misuse or fraud. To me, that is quite a lame statement. Further on, it says that one can use a link on the website as well. My first question is this: when someone makes that call, how is that line managed?

Mr Flynn: Do you mean in dealing with tenancy fraud?

Mr Rogers: Yes.

Mr Flynn: Our system works in this way. If you are a member of the public, you just ring our dedicated number. The call is recorded and passed to the local office, and the local housing manager passes it directly to the housing officer responsible for that patch in order for him to engage in a series of investigations to determine what is happening. The first port of call is to check our data in relation to the tenancy and follow that up with a visit. That is the bedrock upon which our abandonment process is built. It is about gathering intelligence to determine whether an individual is there and then following that up, usually with a visit. There will be a visit and a calling card, a second visit and a second calling card, and then a letter giving a seven-day notice that we are going to serve an abandonment procedure, which is a 28-day notice.

Mr Rogers: Sorry; how is that served to the house? If the house is empty and they live four doors —

Mr Flynn: It is a formal abandonment notice. If they are not living in the property, we serve a notice on the property. A letter is sent, and a notice is pinned on the door. If that is not answered within 28 days, the Housing Executive legally repossesses that property. We will go in, change the locks and reallocate that property.

Mr Rogers: What if it is answered and they are in the house when you arrive?

Mr Flynn: You would then have a formal process of identification: "Can you confirm your name, national insurance number and date of birth?" If someone can confirm that they are Mr Rogers, for example, and that that is their date of birth and national insurance number, we will follow up by asking, "Can you give us formal proof of identification, a passport or other photographic evidence?" Someone who is trying to defraud might know the name of the person and have their personal details. So, we follow up by asking for confirmation by photographic evidence.

This is what happens in a lot of cases where we serve abandonment notices. You can see from the numbers that we are serving and the numbers that we are repossessing that there is a fallout rate of about 50% to 60%. That is because people produce evidence that they are living there. Those who do not do so are the ones that we formally repossess.

Mr Rogers: What if I present the evidence and so on but, once you go away, I go to my girlfriend's house four doors up and go back to living there? Do you have any follow-up after that?

Mr Flynn: If someone provides the right answers, you draw a line under it. On occasions, we have had reports from community people saying, "Listen, those people are only there one day a week because they are somewhere else." We will continue to follow that up. The proof is always about having the evidence with which to secure the property. If someone is there temporarily and is moving on, it is about getting sufficient evidence to allow you to repossess that property. People do have the right to be at other properties. The burden of proof is always in having the evidence. Most of our abandonments are served on vacant properties where the person does not turn up. Those who turn up and challenge are the ones that end up in the court system.

Mr Rogers: Is the data-matching suffice to do that? John talked about the link with the utilities, for example. If the electricity bill shows that no units are being used, will that be linked in? Is there a link with local councils as regards bin collections? Is it linked with other things?

Mr Flynn: A range of checks is carried out in those investigations. You can check the electoral register, but not everyone is on the electoral register. You can check with utility providers. Some issues in the recent programme concerned the ability to share data with utility companies. Prior to deregulation, they were public bodies and it was easy to get that information. We have been working

with them recently to set up a new forum that would allow utility providers to share that information with us. If we have evidence that Mr Rogers is no longer living at this address, we will ask, "What is his electricity usage?" We are starting to create data exchange arrangements to allow us to gather that information to add weight to the evidence that we were gathering to determine that you were not there. We also have credit reference cross-checking. Are people purchasing things on credit and getting delivery to other places? Are people on benefits and getting those benefits paid to a different address? We do all those checks to gather the evidence as robustly as possible so that we can retrieve the property.

Mr Rogers: The word "robust" was used earlier. On the national fraud initiative and data matching, how robust is your system on a scale of one to 10?

Mr Flynn: Pretty robust.

Mr Rogers: Could it be better?

Mr Flynn: You can always get better. The more you do this, the more you do exercises, the more you share best practice with others and the sharper you get at doing things, the more you can build on that robustness. I believe that we have a sound and fairly robust approach, but there is always room for improvement.

Mr Rogers: But it is not up near 10.

Mr Flynn: No, and I do not believe that it could ever be at 10.

Mr Rogers: On the same page, it states:

"All reports of potential tenancy misuse and fraud will continue to be fully investigated"

On investigation, we heard earlier about the blitz in 2008. How many cases of suspected fraud were reported to the Audit Office in 2012, 2013 and even now in 2014?

Mr Haire: I have given you the ones that are being pursued, but, because abandonment issues were not being forwarded to the Department and were being seen as a housing management issue, we were not doing that process during that period. We now transfer every suspected fraud case to the Audit Office. In the early days, we were not doing that because this was being looked at as a contractual management issue and it was not being transferred to the Department. Since last year, there has been a shift from looking at it as a housing management issue to seeing it as a fraud issue, and it is only now that we are starting to get a flow of those fraud cases through. In a sense, we have reclassified it from being a housing contractual issue, which was not reported to the NIAO, to being a fraud issue.

Mr Rogers: So, none were transferred in 2012 and 2013. Have any been transferred this year?

Mr Haire: I think that 80 have been sent this year.

Mr Kieran Donnelly (Comptroller and Auditor General): Eighty-eight were reported to me yesterday. One was reported a few months ago. Prior to the publication of this report, I had no cases reported. That is one of the reasons why we have got interested in the topic.

Mr Rogers: The sceptic in me says that, once this report came out, it was a shot across the bows of DSD and the Housing Executive.

Mr Haire: We are quite open about the issue. The point is that this was seen as a key issue to do with managing contacts, and we are quite clear that it has changed the focus of how we look at this issue. We think that we have a sharper focus on this issue. We need to work out exactly how to get this right in the process, but we have no arguments with the NIAO on this issue.

Mr Rogers: It was pointed out earlier that you were picking up the discussions across the water and keeping an eye on what was happening there. In retrospect, why was it not picked up earlier that these abandoned properties were a fraud issue?

Mr Haire: We were doing an exercise even before GB really got going. The blitz programme of 2008 was, in a sense, very early on in the process. The Housing Executive was feeling that it was strongly on top of the management issue on that one. As I said, the perspective that everyone had was that it was a housing management issue. That perspective was common across the entire housing sector in the British Isles. In a sense, we are seeing a shift, to look at this in a different way, to view it as, ultimately, the misuse of a bit of public investment. It is a fraud issue, in that sense. That is the shift.

Mr Rogers: Mr Flynn, I go back to the earlier point about the telephone. Do you think that the introduction of a tenancy fraud hotline would be a good idea?

Mr Flynn: The introduction of a number that people could contact as a quick and automatic response to their view of a property being empty is a good thing. Hence, we have a number on our website. It is our general number, which is redirected to our local office. We are in discussions with the Department and others about having a dedicated fraud number. The more that we do detailed searches to identify the scale of this, the more we look at the potential for having a specific number. In previous years, there was a national fraud number that people used to use. That was on our website and was for any sort of fraud: for example, housing benefit fraud. We have highlighted on our website now that if you suspect someone who has a Housing Executive property of not living on that property you should ring this number and we will follow it up. That is what we have been doing.

Ms Lightbody: We had reviewed whether a different number would be better, but, again, most customers know our number and have it pinned up in the house. As soon as a call comes through, it is routed so that it is captured and managed properly, that staff report it in a consistent way, and we can get a single handle on what is happening. I have tried phoning, as a secret shopper, and going online to make sure that the responses are as we have set out today. So, there is consistency, and the added bit would be to perhaps have one number for the whole sector. That is the bit where we will consider whether that might be a better approach.

Mr Rogers: Mr Haire, do you believe that having one number for the complete sector would be a good idea?

Mr Haire: We are trying to get it consistent. It needs to be looked at to see what the best communication tools are. I am not an expert in working those out. People know the Housing Executive's main call number; it is the most accessible. If you have a separate number, how do people know where the number is in that process unless you publicise the issue? We need to investigate it and make a call on it some time fairly soon. There are different tendencies in government about whether to go for distinct numbers or a general number very well handled so that you get a number of queries routed through that one. That is the issue that we have to decide on.

Ms Lightbody: In the Housing Executive, we are obviously keen, as, I am sure, sector colleagues will be, that, as soon as we get the call, we can action it. From going live with it, three of the calls in April were for associations. We have been a bit of a gatekeeper before we agreed to get them straight through to the associations for management while taking care of our own business as well.

Mr Rogers: The report talks about the unstructured nature in tackling tenancy fraud. What are the key learning points from the report that will make tenancy fraud history? It will be difficult to make it history, but how can you improve the situation?

Mr Haire: We now have a recognition of the issue. We saw it in a different perspective. It is now seen as an issue that can be dealt with in this way. As we have done with other areas of fraud, it is a question of connecting your data matching, information and hotlines etc. How do you get it connected across organisations? How do you get that process? In a sense, we will apply the rules that we have dealt with generally in benefit fraud and connect to the system here. The key issue for us is about having a regular reporting system and making sure that we check what is going through this process and the different parts of the system, from the housing associations to the Housing Executive. We need to look at the data coming in and see how it is applied. We need to make sure that it is regulated effectively in that process, and, at the same time, that the practitioners are meeting together regularly in the tenancy fraud forum to learn in the process. As we have demonstrated, there is quite a complex set of issues around that. We do that work together.

The other bit is that, for people who may be committing tenancy fraud, there may also be housing benefit fraud or another fraud in the process. As we do data matching in a much more consistent way

— and we are developing that very strongly — those things will start building up a strong platform and process in that way. It is about having a systematic process, going through that, getting some metrics on it, saying, "Where do we think we are?" and then trying to measure how far we have achieved it. It is complex.

We also have to work delicately in the process. There will be cases of older people in transition, who are moving out of social homes and into care homes. We have to make sure they tell us at the right time so that we can get the home for somebody else. There is a customer care angle for public tenants. We must be careful not to frighten people in those difficult situations. I am sure that you share that concern as representatives.

Mr Rogers: Thank you. As members of the Public Accounts Committee, we are concerned about how the public purse is used. Each of us, as individual representatives of our constituents, as Ross said earlier, know that so many genuine people out there need a home and cannot get one.

The Chairperson: I have a couple of questions before we wind up the session. The fraud forum was mentioned quite a number of times, Mr Haire. Will you inform the Committee about who is on it, how often it meets and who it reports to, what specific priorities it has in place, and what its targets are to reduce tenancy fraud?

Mr Haire: I will ask Jim Wilkinson to comment on the general question. It is an early stage in the process. As we discussed, we have not yet set the targets in the process. We are looking for the early surveys and the work from those to give us a better sense of that metric. There is a key action plan in place. In the first year, the key issue is to roll out all those actions and make sure that all those processes are in place.

Mr Wilkinson: The Northern Ireland Tenancy Fraud Forum was established in November. It is hosted by the Department, by our regulation inspection head, and has three key focuses. The first is to take the Audit Office report, explore those areas of good practice, implement what it can and look at dissemination. For that reason, one of its first actions was to create a formal link with the GB Tenancy Fraud Forum. That work is led by the Housing Executive.

The fraud forum also has two specific areas that it has been asked to look at and report back to the Department on. One is the legislation that we talked about and the value in it. The second is about a single investigatory team, which is also a key recommendation. We have tasked it with looking at those two issues early on. So, it is looking at best practice and how we disseminate that, linking with the wider tenancy forum in the UK, and looking specifically at a number of issues.

Whilst each of the associations are doing some work on what should be the target, the priority is to put actions in place that will increase the level of detection and returns. So, rather than have the target to meet, we want to see the forum having an impact through more homes being brought back.

Mr Watt: The shared training that we discussed, which the Housing Executive and the housing associations ran with GB experts, came directly out of the work of the forum. That has been very useful for all concerned. We are also discussing how we take forward the protocols through that forum. It is early days, but I am finding it very useful, as are our members.

The Chairperson: Going back to my opening question; obviously there are measures in place, but it is still safe to say that the Committee's opinion is that your organisation was slow in responding proactively to this very serious issue, compared with what happened in GB. You stressed that there are measures in place, but the Audit Office had to prompt to get the wheels in motion.

I want to mention the Apex strategy that was mentioned earlier. That will be coming to the Committee.

Mr Watt: I am sure that Apex will be very happy to provide that to the Committee.

Mr Girvan: I want to go back to one wee point, Chair. I appreciate that you were on a bit of a roll. It is about data sharing, which is a vitally important area. Data protection is a good loophole for not giving information, and it has been used by the Housing Executive on many occasions with the likes of us. I am sure that it is also used by agencies that you try to contact in relation to investigations of these types of matter.

Is there an agreement about the sharing of information where potential fraud is being committed? Will the Housing Executive buy-in and give you that information in those circumstances, or is it all process? I am thinking of benefits in particular, which can be a difficulty, because people do not always give you information.

Mr Haire: The different organisations do not give you information. There is an issue with public data: when we have collected data from individuals, we are meant to use it for the purposes for which it was collected. In recent years, we have done quite a lot of work to try to break down those barriers and ensure that there are legislative and other legal covers to make sure that we can transfer information.

Significant progress has been made across those issues, and we are continuing to make progress. They are important issues. Of course, some of this was put in place to protect the public from the Big Brother concept, yet, on the other hand, we know that some of that information may be important to the public, which is a counter argument. We have done work on trying to break down some of the barriers on those issues. We have to make sure that we use data legally, as we are required to. We are often trying to get the right legal position.

Mr Girvan: If you have identified areas in which there are difficulties; perhaps, we, as legislators, could look at those areas to ensure that there is a more open forum to allow that to happen — not to be abused. On many occasions, I find that it is used as an excuse for not giving information, as opposed to helping people. Can you give us an indication of areas we could look at to see if there are ways that we could help in moving it forward?

The Chairperson: For every illegal tenancy, there is a homeless person who stands to lose out on a home. That is the clear message that is being sent out today. Some 20,000 families present to the Housing Executive, in housing stress, each year. Around half are classified as being statutory homeless, in which case the Housing Executive has a duty to them. Obviously, there is a cost to tenancy fraud. We have heard about the social cost of such fraudulent activity. That needs to be addressed as a matter of priority. I note in the Audit Office report that the Government in England have provided £35 million to local authorities to prevent, detect and tackle tenancy fraud. Given the seriousness of the issue, Mr Haire, does the DSD have any plans to provide additional funding here?

Mr Haire: It is not an area in which we have had any demand or requests for funds to the process. The Housing Executive has been very active in that from its resources already. Looking at the grants, I see that organisations are getting £10,000 or £15,000. That money is being pushed down the system. We have already seen the Housing Executive and the housing associations, very willingly and without any requests, seize on those issues very proactively. Most of these initiatives are in England. We are not seeing that activity in Scotland. Scotland has not taken this. From our evidence, we can see that Scotland is not pushing this issue. In England, they have had to put money into it to get some of it going, but the organisations here have moved without any financial —

Mr Girvan: We have the invest-to-save scheme. Every 100 houses received back in would save the Northern Ireland Executive £800,000 in revenue a year, never mind the additional properties and housing benefit fraud, and whatever is involved there. That would be £800,000 of benefit back into the Northern Ireland economy.

Mr Haire: We are in discussions about the invest-to-save scheme and arguments about our entire benefit fraud. That is an issue that we are discussing widely with DFP, because, as you know, the Department is heavily invested in that area. We are in that process.

The Chairperson: In conclusion, we can all agree that social housing plays an important role in providing a home for some of the most vulnerable people who are in dire need. As I said, we believe that the local social housing providers have been slow in tackling the issue. However, I take some comfort from the range of measures that are being proposed to tackle tenancy fraud more robustly. Indeed, it seems to suggest that you have not done that until now. Ultimately, a more robust approach will pay dividends in the long-term outcomes in tackling tenancy fraud, homelessness and helping those most in need, which is where that priority must lie. As the Deputy Chairperson alluded to, it is our job to look at how public money is being spent. Obviously, it is in the taxpayers' interest to publicly know that. Thank you for presenting here today.

Mr Dallat: I concur with what you have said, but I want to follow up on something I said earlier. Given that most of the initiatives seem to be only beginning, I suggest that, at some stage in the future but not far into the future, we have a follow-up report on what is achieved.

The Chairperson: Absolutely. It is imperative that we do that. Thank you, Mr Haire, Ms Lightbody, Mr Flynn, Mr Wilkinson and Mr Watt, for coming here today.