

Public Accounts Committee

Report on Tackling Social Housing Tenancy Fraud in Northern Ireland

Together with the Minutes of Proceeding of the Committee
relating to the Report and the Minutes of Evidence

Ordered by the Public Accounts Committee to be printed on 24 September 2014

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**THE REPORT REMAINS EMBARGOED UNTIL
00:01AM ON 22 OCTOBER 2014.**

Membership and Powers

The Public Accounts Committee is a Standing Committee established in accordance with Standing Orders under Section 60(3) of the Northern Ireland Act 1998. It is the statutory function of the Public Accounts Committee to consider the accounts, and reports on accounts, laid before the Assembly.

The Public Accounts Committee is appointed under Assembly Standing Order No. 56 of the Standing Orders for the Northern Ireland Assembly. It has the power to send for persons, papers and records and to report from time to time. Neither the Chairperson nor Deputy Chairperson of the Committee shall be a member of the same political party as the Minister of Finance and Personnel or of any junior minister appointed to the Department of Finance and Personnel.

The Committee has 11 members including a Chairperson and Deputy Chairperson and a quorum of 5.

The membership of the Committee since 23 May 2011 has been as follows:

- Ms Michaela Boyle ³ (Chairperson)
- Mr John Dallat ⁵ (Deputy Chairperson)
- Mr Trevor Clarke ⁸
- Mr Michael Copeland
- Mr Alex Easton ¹²
- Mr Paul Girvan
- Mr Chris Hazzard ¹⁰
- Mr Ross Hussey
- Mr Daithí McKay ⁷
- Mr Adrian McQuillan ¹
- Mr Seán Rogers ⁶

- 1 With effect from 24 October 2011 Mr Adrian McQuillan replaced Mr Paul Frew
- 2 With effect from 23 January 2012 Mr Conor Murphy replaced Ms Jennifer McCann
- 3 With effect from 02 July 2012 Ms Michaela Boyle replaced Mr Paul Maskey as Chairperson
- 4 With effect from 02 July 2012 Mr Conor Murphy is no longer a Member of the Committee
- 5 With effect from 07 September 2012 Mr John Dallat replaced Mr Joe Byrne as Deputy Chairperson
- 6 With effect from 10 September 2012 Mr Seán Rogers was appointed as a Member
- 7 With effect from 10 September 2012 Mr Daithí McKay was appointed as a Member
- 8 With effect from 01 October 2012 Mr Trevor Clarke replaced Mr Alex Easton
- 9 With effect from 11 February 2013 Mr Sammy Douglas replaced Mr Sydney Anderson
- 10 With effect from 15 April 2013 Mr Chris Hazzard replaced Mr Mitchel McLaughlin
- 11 With effect from 07 May 2013 Mr David McIlveen replaced Mr Sammy Douglas
- 12 With effect from 16 September 2013 Mr Alex Easton replaced Mr David McIlveen

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List of Abbreviations

the Committee	Public Accounts Committee (PAC)
C&AG	Comptroller and Auditor General
the Department	Department of Social Development
DSD	Department of Social Development
NIHE	Northern Ireland Housing Executive
NIFHA	Northern Ireland Federation of Housing Associations
NFI	National Fraud Initiative
NINO	National Insurance Number

Executive Summary

Introduction

1. Housing tenancy fraud is the use of social housing by someone who is not entitled to it or does not need it. Frauds include sub letting for profit, providing false information in a housing application and abandoning the property with no one living there. Tenancy fraud impacts on some of the most vulnerable homeless families, depriving them of a decent home and creates significant additional cost for the taxpayer in providing temporary accommodation and in building additional new social homes.

Overall Conclusions

2. The Committee considers that Northern Ireland's social housing providers have been slow to react to the increased recognition of tenancy fraud in GB. In part, this is a result of the failure of the Department for Social Development (the Department) to provide the necessary leadership in getting to grips with social housing tenancy fraud in Northern Ireland. However, the Committee takes some comfort from the range of measures that are now being proposed by the Northern Ireland Housing Executive (NIHE) and Northern Ireland housing associations, to proactively tackle tenancy fraud.
3. Up to now, NIHE and housing association activity has been reactive and largely confined to dealing with abandoned properties. NIHE and housing associations recovered 302 properties as a result of abandonment in 2012-13, although this varied considerably across NIHE districts and housing associations. Until recently, this had been considered routine housing management work as opposed to counter fraud work.
4. The Department explained that it would take several years of careful survey work to establish the level of social housing tenancy fraud across Northern Ireland. This is unacceptable, the Committee expects the Department to urgently establish an evidence based baseline figure for the level of tenancy fraud in Northern Ireland.
5. The Department confirmed that, despite identifying a number of cases of tenancy fraud, there have been no prosecutions for tenancy fraud in Northern Ireland. The Committee supports a robust response to cases of tenancy fraud, in particular sub-letting and providing false information in housing applications, and considers that the threat of prosecution is an important deterrent for potential fraudsters.
6. The Committee was concerned at the significant increase in the cost of providing temporary accommodation for homeless families, with costs more than doubling from £5.2 million in 2008 to £10.9 million in 2013. The Comptroller and Auditor General (C&AG) in his report estimates that for every additional 100 fraudulently occupied properties recovered through a proactive detection programme there is the potential to save around £800,000 in costs of housing those homeless families who would otherwise be placed in temporary accommodation. These significant costs suggest that a proactive prevention and detection strategy could generate significant savings.
7. In the Committee's view, greater collaboration between a range of bodies will be the most effective means of tackling the issue of tenancy fraud. A key part of this will be to establish formal protocols between social housing providers and utility companies. This data will open up a valuable source of evidence in the investigation of suspected tenancy fraud.
8. The Northern Ireland Tenancy Fraud Forum was established in November 2013. It has been tasked with reviewing the legislative position and the feasibility of establishing a single tenancy fraud investigatory team for social housing providers in Northern Ireland.

9. The Committee welcomes the steps that are now being taken by the Department, NIHE and housing associations to tackle social housing tenancy fraud in Northern Ireland. Given that most of the initiatives are only just beginning the Committee expects the Department to review progress after 12 months and provide a progress report to the Committee.

Summary of Recommendations

Recommendation 1

The Committee expects the Department to urgently drive forward efforts to establish an evidence based baseline figure for the level of tenancy fraud in social housing in Northern Ireland. The Committee recommends that a progress report is compiled by the Department to determine the extent of tenancy fraud and to assess the success of the Department's counter fraud measures over the next twelve months. This report should be forwarded to the Committee.

Recommendation 2

The Committee recommends that the Department, as a matter of urgency, should update the Housing Association Guide, to ensure that dedicated tenancy fraud strategies become part of the Department's regulatory requirement. The Committee also recommends that the need for a dedicated tenancy fraud strategy should be reflected in NIHE's Financial Memorandum.

Recommendation 3

The Committee recommends that the assessment of the adequacy of tenancy fraud strategies and review of performance targets in this area, should be included in the Regulator's inspection regime for housing associations.

Recommendation 4

The Committee recommends that the Department, in conjunction with social housing providers, should carefully consider whether additional funding would enable social landlords to organise more effective prevention, detection and investigation activities. In the Committee's opinion, a strong case for seeking funds under the "Invest to Save" Initiative could be made.

Recommendation 5

The Committee strongly supports the National Fraud Initiative. Given that housing associations have received around £1 billion of Northern Ireland public funding over the past 10 years, in the form of a Housing Association Grant, the Committee expects all housing associations to participate.

Recommendation 6

The Committee considers that formal protocols with utility companies open up a valuable source of evidence in the investigation of suspected tenancy fraud and the Committee strongly recommends that the present impetus is maintained leading to the introduction of formal protocols with all social landlords.

Recommendation 7

The Committee considers that progress on tenancy fraud will best be achieved through co-operation across the social housing sector in Northern Ireland. It welcomes consideration of innovative approaches, such as the introduction of a single investigative team to combat tenancy fraud and the establishment of an inter-agency dedicated tenancy fraud hotline. It recommends that these issues are pursued and enhanced measures to counter tenancy fraud are established as a matter of urgency.

Recommendation 8

The Committee notes the local Tenancy Fraud Forum's review of the legislative position in Northern Ireland. The Committee recommends strengthening local legislation, particularly in relation to data sharing.

Introduction

1. The Public Accounts Committee (the Committee) met on 14 May 2014 to consider the Comptroller and Auditor General's report on 'Tackling Social Housing Tenancy Fraud in Northern Ireland'. The witnesses were:
 - Mr Will Haire, Accounting Officer, Department for Social Development (DSD);
 - Ms Mags Lightbody, Acting Chief Executive, Northern Ireland Housing Executive (NIHE);
 - Mr Jim Wilkinson, Director of Housing, DSD;
 - Mr Gerry Flynn, Director of Landlord Services, Northern Ireland Housing Executive (NIHE);
 - Mr Cameron Watt, Chief Executive, Northern Ireland Federation of Housing Associations (NIFHA); and
 - Mr Kieran Donnelly, Comptroller and Auditor General (C&AG).

The Committee was provided with further information by the Department for Social Development (the Department) on 29 May and 13 June 2014.

2. Housing tenancy fraud is the use of social housing by someone who is not entitled to it, or does not need it, and means that others who deserve a social home miss out. In his report on "Tackling Social Housing Tenancy Fraud in Northern Ireland" the C&AG sought to raise awareness of this important issue for Northern Ireland and highlight best practice that can be adopted to respond to tenancy fraudsters.
3. There can be around 40,000 families at any one time on the waiting list for a social home. Around 20,000 of these families are assessed each year as being in housing stress for reasons of health, intimidation, insecurity of tenure and housing conditions. Half of those families in housing stress are classified as statutory homeless and NIHE has a duty under the law to house them. Typically, 3,000 of these homeless families each year are placed in temporary accommodation including private rented, hostels and bed and breakfasts at a cost in 2011-12 of £10 million.
4. Based on Audit Commission estimates, as many as one in fifty social houses¹ could be occupied fraudulently by individuals not entitled to be there. In Northern Ireland this could equate to around 2,400 properties, However the Department contended that it was likely to be less than the estimated 2,400 houses but that it would take several years of careful survey work to establish the extent of tenancy fraud across Northern Ireland. Frauds include sub-letting for profit, providing false information in a housing application and abandoning the property with no one living there. Tenancy fraud impacts on some of the most vulnerable families depriving them of a decent home. It also creates significant additional cost for the taxpayer to provide temporary accommodation and to build additional new social homes.
5. The C&AG in his report concluded that a more structured proactive approach to tackling tenancy fraud, across both NIHE and housing association stock, would make a cost effective contribution to reducing housing need in Northern Ireland.
6. In taking evidence, the Committee examined five themes:
 - The extent of tenancy fraud in Northern Ireland;
 - The approach to tackling tenancy fraud in Northern Ireland;
 - The costs of tenancy fraud and property recovery rates;
 - Collaboration; and
 - Innovative solutions.

1 Recent Audit Commission research in England has suggested that two per cent (one in fifty) of social housing outside of London is subject to tenancy fraud. The levels in London are estimated at four to six per cent of social housing.

The extent of tenancy fraud in Northern Ireland

7. The C&AG, based on research undertaken by the Audit Commission in England over the past 4 years, has indicated that up to 2,400 social houses could be fraudulently occupied in Northern Ireland. The Department explained that it would take several years of careful survey work to establish the level of tenancy fraud across Northern Ireland but it was likely to be less than the estimated 2,400 houses. The Committee was astonished that no documented research was available and troubled by the Department's admission to the Committee that they had not yet carried out sufficient work to ascertain the extent of tenancy fraud in Northern Ireland.
8. According to the Department, NIHE and NIFHA early indications are that levels of tenancy fraud are low across social housing stock in Northern Ireland.
9. NIHE explained that English authorities have found tenancy fraud levels are higher in blocks of flats. With Northern Ireland having significantly less flats (17 per cent of social housing stock), in NIHE's view this factor would contribute to lower levels of tenancy fraud.
10. NIFHA told the Committee that around one quarter of housing association properties are sheltered or supported accommodation and that tenancy fraud is less likely as there is an on-site staff presence. There are also some smaller community based housing associations managing around 100 to 200 properties and NIFHA believes these are also less at risk of tenancy fraud.
11. The Committee considers that for all landlords knowing who lives in properties should be part and parcel of normal housing management practice. To assist in this process NIHE operates a network of local offices and has over 800 front line housing staff. The Committee agrees with NIFHA that all social landlords cannot be complacent and need to do more work to establish an accurate baseline of the extent of social housing tenancy fraud in Northern Ireland.

Recommendation 1

The Committee expects the Department to urgently drive forward efforts to establish an evidence based baseline figure for the level of tenancy fraud in social housing in Northern Ireland. The Committee recommends that a progress report is compiled by the Department to determine the extent of tenancy fraud and to assess the success of the Department's counter fraud measures over the next twelve months. This report should be forwarded to the Committee.

There have been no tenancy fraud prosecutions in Northern Ireland

12. The Committee was told that over the past three to four years NIHE has identified:
 - Three cases of subletting for profit;
 - One case of providing false information on a housing application;
 - 22 cases of false succession and unlawful assignment; and
 - Two cases of providing misleading information during a right to buy application.

In addition over 200 houses are recovered each year by NIHE due to abandonment.

13. Given that the C&AG's report notes that NIHE recorded 245 abandonment cases in 2011-12, and the range of other forms of tenancy fraud such as subletting drawn to the Committee's attention, the Committee was surprised that the C&AG had received no tenancy fraud notifications from the Department, prior to the publication of his report in September 2013.

However, in April 2014 he received one notification and on the day before the Committee's hearing he received a further 88 notifications² of suspected tenancy fraud.

14. The Department confirmed that, despite identifying a number of cases of tenancy fraud, there have been no prosecutions for tenancy fraud in Northern Ireland. However, NIHE are presently pursuing three sub-letting test cases, for prosecution, under the Fraud Act 2006.
15. The Committee supports a robust response to all cases of tenancy fraud, in particular those cases of sub-letting for profit and providing false information on housing applications. The Committee considers that the threat and pursuit of prosecutions sends out a powerful deterrent message that social landlords in Northern Ireland are tough on fraud.

2 The Committee notes that included in the 88 fraud notifications are 33 notifications for one NIHE District office. This office served 18 abandonment notices in 2011-12 but has recently served 33 in one month.

The approach to tackling tenancy fraud in Northern Ireland

The Department, NIHE and housing associations have been slow to react in Northern Ireland to the increased recognition of tenancy fraud in GB

16. The Department and NIHE in their opening remarks explained to the Committee that they reacted quickly to new initiatives emanating from GB on tackling tenancy fraud. The Committee is not convinced and believes that the evidence presented does not support this.
17. Guidance³ issued in November 2009 by the Department for Communities and Local Government in England contained checklists for actions to achieve success in addressing tenancy fraud including:
 - Establishing a baseline for the level of tenancy fraud;
 - Developing a robust tenancy fraud strategy and action plan;
 - Showing corporate commitment to tackling the problem;
 - Establishing more robust reporting and evaluation arrangements to determine trends and variations between different landlords and regions;
 - Local Authorities and housing associations working in partnership to achieve sustainable solutions; and
 - Taking action including photographing tenants, early settling in visits, raising awareness, targeted tenancy audits and employing specialist investigative teams.
18. The Committee did not see evidence of any proactive activity in Northern Ireland against tenancy fraud, until April 2013 when NIHE prepared a tenancy fraud strategy. The development work for this strategy appears to have taken place only after the C&AG commenced his audit in mid 2012. In addition, NIHE told the Committee that it waited for the C&AG to publish his report before finalising its tenancy fraud action plan and taking it to the NIHE Board in October 2013. The Committee recognises that reports from the C&AG make a valuable contribution to management in the public sector. However, whilst recognising the rationale for the NIHE's decision, it takes a dim view where a public sector body views an impending report as a reason not to progress actions which will benefit taxpayers and service users.
19. In the Committee's opinion, housing associations in Northern Ireland were also slow to develop dedicated tenancy fraud strategies. The Committee is encouraged by NIFHA's indication that housing associations are now far advanced in developing their strategies and that full coverage is anticipated by Autumn 2014. However, the Committee notes that publication of a dedicated tenancy fraud strategy is still not a requirement of the Department's regulatory regime for housing associations.
20. The Committee notes that there is now a positive direction of travel regarding tenancy fraud strategies and action plans.

Recommendation 2

The Committee recommends that the Department, as a matter of urgency, should update the Housing Association Guide, to ensure that dedicated tenancy fraud strategies become part of the Department's regulatory requirement. The Committee also recommends that the need for a dedicated tenancy fraud strategy should be reflected in NIHE's Financial Memorandum.

3 Tackling unlawful subletting and occupancy: Good practice guidance for social landlords, November 2009, Department for Communities and Local Government

Recommendation 3

The Committee recommends that the assessment of the adequacy of tenancy fraud strategies and review of performance targets should be included in the Regulator’s inspection regime for housing associations.

The Department has not provided leadership in tackling tenancy fraud

21. The Department has overall control and responsibility for preparing and directing social housing policy in Northern Ireland. However, the Committee formed the impression at the evidence session that NIHE had been taking the lead on tenancy fraud. In the Committee’s opinion the Department has not provided the necessary leadership in getting to grips with social housing tenancy fraud. The Committee would point out that in England, the Department for Communities and Local Government has:
 - produced guidance setting out the most effective ways of preventing, detecting and tackling tenancy fraud;
 - following consultation, strengthened legislation making tenancy fraud a criminal offence;
 - introduced regulations that enable local authorities to compel banks, building societies, utility and telecommunication companies to provide them with information for social housing fraud investigations; and
 - provided funding to improve local authorities’ ability to identify and tackle social housing tenancy fraud.
22. The Committee notes none of these very positive developments have been introduced in Northern Ireland.
23. The GB Government has provided £35 million to local authorities to assist in preventing, detecting and investigating tenancy fraud. The Department told the Committee that no additional funding has been made available to, nor requested by, NIHE or housing associations.

Recommendation 4

The Committee recommends that the Department, in conjunction with social housing providers, should carefully consider whether additional funding would enable social landlords to organise more effective prevention, detection and investigation activities. In the Committee’s opinion, a strong case for seeking funds under the “Invest to Save” initiative could be made.

The resources and effort devoted to tackling tenancy fraud were variable across NIHE’s District Office network

24. The C&AG points out in his report that the resources and effort devoted to tackling tenancy fraud was variable across NIHE. The Committee considered that this reflected the absence of strategic direction from NIHE on the growing recognition that tenancy fraud was an important issue for social housing providers.
25. NIHE activity was largely confined to dealing with abandoned properties. When a property is identified as potentially being empty a 28 day abandonment notice is served. This is an administrative process which avoids legal action in the courts. The Department explained that the legislation covering the serving of abandonment notices in Northern Ireland is “quite far advanced and is a good route for dealing with abandonment”.
26. Abandonment is one of six forms of tenancy fraud and requires less direct counter fraud activity to detect. The work was considered as routine housing management by NIHE as opposed to counter fraud work. Some NIHE District Offices appeared to be more successful

than others in detecting abandoned properties, with some not recovering any properties. The Committee was told that in an effort to improve consistency of approach, front line housing staff recently received training on how to deal with recording and reporting tenancy fraud. The Committee welcomes this development but would question why this basic training requirement was not delivered earlier.

27. The Department informed the Committee that NIHE headquarters had been collating district data on abandonments since 2011/12. This collation activity appears to coincide with the C&AG requesting similar information from NIHE for his report. The lack of central oversight, scrutiny, monitoring and reporting of tenancy fraud data is not reflective of an organisation which has a strong corporate grip on this issue.

New information was presented to the Committee during the evidence session

28. While the Committee's inquiry benefited from the additional information provided during the evidence session, the Committee was concerned that witnesses provided new information which had not been disclosed to the C&AG during the preparation of his report. Examples of new information provided are:

- The Department explained that NIHE had undertaken "operation blitz" in 2008 when 10,400 homes were targeted looking for indicators of fraudulent activity. This activity pre dated the 2009 guidance issued by the Department for Communities and Local Government in GB. The Department and NIHE appeared to be providing evidence indicating that they were actually ahead of the game in responding to tenancy fraud and "doing an exercise even before GB really got going";
- Since 2009 NIHE had consistently checked their policies and approaches against publications from GB on tenancy fraud best practice;
- Specifically NIHE checked their activities against the National Fraud Authority guidance from 2010 and decided to take "specific action under the banner of tenancy fraud"; and
- The Committee was told that over the past three to four years NIHE has identified one case of providing false information on a housing application, 22 cases of false succession and unlawful assignment, and two cases of providing misleading information during a right to buy application.

29. The C&AG engages with departments to agree factual accuracy before reports are published. Providing this Committee with new facts, which have not been brought to the C&AG's attention and which he did not have the opportunity to critically assess, is a situation that this Committee has encountered recently and is completely unacceptable.⁴

4 NIA 182/11-5, 9 April 2014 – PAC Report on NI Water's Response to a Suspected Fraud and DRD: Review of an Investigation of a Whistleblower Complaint

The costs of tenancy fraud and property recovery rates

The cost of housing homeless families in private rented accommodation has more than doubled in the past six years

30. NIHE has a statutory duty to provide accommodation for homeless families and where social tenancies are not available, temporary accommodation is offered. This temporary accommodation can take the form of a hostel, private rented property, leased property or bed and breakfasts. In the six years to 2013 NIHE spent over £51 million providing temporary accommodation. The Committee was concerned with the significant increase in the cost of temporary accommodation with costs more than doubling from £5.2 million in 2008 to £10.9 million in 2013 (see Figure 1). This rise has occurred even though the number of families presenting as homeless has remained fairly constant from year to year.

Figure 1: The cost of temporary accommodation since 2008

	2008 £'000	2009 £'000	2010 £'000	2011 £'000	2012 £'000	2013 £'000	Total £'000
Private Rented	3,812	4,500	6,282	6,729	7,925	8,059	37,307
Hostel – NIHE	1,160	1,190	1,210	1,270	1,330	1,744	7,904
Leased Properties	-	-	955	955	955	956	3,821
Bed and Breakfast	235	746	249	381	242	228	2,080
Total	5,207	6,436	8,696	9,335	10,452	10,987	51,112

Source: NIAO

31. The C&AG in his report estimates that for every additional 100 fraudulently occupied properties recovered through a proactive tenancy fraud detection programme there is the potential to save around £800,000 in private rented costs. In this Committee's opinion, this is a significant figure but more importantly this would ensure that additional homes are made available for those most in need. In addition, given that tenancy fraud and Housing Benefit fraud are often linked, there is also potential to identify and recover overpaid Housing Benefit.

Abandoned social homes are being recovered by social landlords in Northern Ireland

32. NIHE and housing associations recovered 302 properties in 2012-13 (363 in 2011-12) as a result of reactive housing management work. The Committee acknowledges that local social landlords do out-perform some local authorities and housing associations in GB in respect of the number of abandonment recoveries.
33. The Committee notes from the C&AG's report that another method of quantifying the cost to the public purse of fraudulently occupied social houses is to calculate the replacement building cost for properties that are no longer available for social tenancies. Using this method the replacement building cost for every 100 properties fraudulently occupied would be in the region of £9 million.⁵
34. The Committee is concerned that the limited reactive approach adopted by NIHE and housing associations has impacted on the number of possession notices served, and subsequent

⁵ Cost of a three bedroom social new build in 2011-12 as provided by NIHE.

recoveries, and that this could be hiding a much larger problem in social housing in Northern Ireland. During recent canvassing in the community, members of this Committee noticed empty properties and reported them leading to a number of recoveries. It is worrying that controls that had been put in place by NIHE and housing associations had not identified these empty properties. This Committee would also highlight, that in May 2014, NIHE reported 88 suspected frauds (87 suspected abandonments and one suspected sub-letting case) to the C&AG. If reporting this number of tenancy frauds is going to be a regular occurrence then it would indicate to this Committee that tenancy fraud is more prevalent than was first thought.

Collaboration

Northern Ireland Tenancy Fraud Forum

35. The Northern Ireland Tenancy Fraud Forum was established in November 2013. It is chaired by the Department and members include NIHE and housing associations. The forum has forged a formal link with the GB Tenancy Fraud Forum. It has also been tasked with reviewing the legislative position and the feasibility of establishing a single investigatory team for social housing providers in Northern Ireland. The Department explained that the forum has hosted shared tenancy fraud awareness training sessions between NIHE and housing associations. The Committee is encouraged by this development and sees the forum as a vehicle to share intelligence and disseminate knowledge amongst the membership.
36. There are further areas where aspects of collaboration could be improved.

National Fraud Initiative

37. NIFHA told the Committee that to-date housing associations from Northern Ireland have not participated in the annual National Fraud Initiative⁶ exercise. The Committee welcomes the participation of Helm Housing Association and OakleeTrinity on a trial basis in the next round of the National Fraud Initiative. The Committee would like to point out that a number of housing associations are already participating in England and Wales.

Recommendation 5

The Committee strongly supports the National Fraud Initiative. Given that housing associations have received around £1 billion of Northern Ireland public funding over the past 10 years, in the form of Housing Association Grant, the Committee expects all housing associations to participate.

Utility Providers

38. The key to a successful tenancy fraud investigation is to prove that a suspected tenancy fraudster is not actually living in a property. Data from utility companies can often be hugely significant to the investigation. NIFHA told the Committee that when its members try to get access to information from utility providers it has been “hit and miss”. The Committee is aware that NIHE District Offices experience similar problems. NIHE explained that, prior to deregulation, the utilities providers were public bodies and it was easier to get information. NIHE outlined that it is currently working on establishing formal protocols, creating data exchange arrangements with utility providers. NIFHA added that their members hope to arrange similar protocols with utility providers in the future.

Recommendation 6

The Committee considers that formal protocols with utility companies open up a valuable source of evidence in the investigation of suspected tenancy fraud. The Committee strongly recommends that the present impetus is maintained leading to the introduction of formal protocols between utility companies and all social landlords.

6 The National Fraud Initiative (NFI) is a major data matching exercise that is undertaken every two years and which enables public audit agencies in the UK to participate in cross jurisdictional data matching for the purposes of identifying fraud and error.

Local Councils

39. Community Planning⁷ is an integral part of the local government reform package and will provide a framework within which the new Councils, departments, statutory bodies and other relevant agencies and sectors can work together. Housing is a key element of community planning. NIHE told the Committee that there is huge potential for them to work closely with Councils in the services that NIHE delivers. The Committee agrees with NIHE and NIFHA that cooperation with the new councils could assist in proactively tackling tenancy fraud. The Committee hopes that the opportunity to harness local knowledge will not be overlooked.

⁷ A process led by councils in conjunction with partners and communities to develop and implement a shared vision for their area which relates to all aspects of community life and which also involves working together to plan and deliver better services which make a real difference to people's lives"

Innovative Solutions

Steps are now being taken by the Department, NIHE and housing associations to tackle social housing tenancy fraud in Northern Ireland

40. The Department and NIHE told the Committee that:
- They are considering the merits of a dedicated hotline but that there is already a 24 hour NIHE phone line for reporting suspected fraud;
 - Tenancy fraud awareness training has been provided to around 300 NIHE and housing association staff;
 - NIHE has around 60 specialist neighbourhood officers;
 - Targeted tenancy audits are now taking place;
 - New tenants are visited within the first six to eight weeks of signing a tenancy agreement;
 - The Northern Ireland Tenancy Fraud Forum is considering the need for a single investigative body providing investigative services to both NIHE and housing associations;
 - The Forum will also consider the need for strengthened legislation; and
 - Public awareness has been raised through recent publicity.
41. NIFHA explained to the Committee that housing associations now:
- Offer pre-tenancy classes so that tenants know their rights and responsibilities. Prospective tenants are made aware of tenancy fraud and encouraged to report it;
 - Visit new tenants within the first six to eight weeks of tenancy. Increasingly these visits are unannounced; and
 - Undertake monthly estate visits.
42. The Committee was particularly interested in some of the innovative solutions being pursued by housing associations, in particular:
- Apex housing association is recruiting “active tenants” on each estate. These are tenants with local knowledge who walk the estate with housing officers and can identify and report properties that they suspect are not occupied; and
 - Clanmil housing association is using key fob entry technology together with CCTV to establish who is using properties in some of its blocks of flats.
43. The Committee notes that NIHE has recently investigated more than 2,800 properties that had been identified as having requested no repairs over a 12 month period. NIHE outlined that on average they receive three or four repair requests a year from each tenant. The absence of repair requests could indicate an abandoned property or one where sub-letting has occurred. As a result of this exercise they have served 83 abandonment notices and recovered 11 properties. The exercise is yet to be finalised.

Recommendation 7

The Committee considers that progress on tenancy fraud will best be achieved through co-operation across the social housing sector in Northern Ireland. It welcomes consideration of innovative approaches, such as the introduction of a single investigative team to combat tenancy fraud and the establishment of an inter-agency dedicated tenancy fraud hotline. It recommends that these issues are pursued and enhanced measures to counter tenancy fraud are established as a matter of urgency.

Credit Data Matching

44. NIHE explained to the Committee that 80 per cent of their tenants are in receipt of benefits and that benefit data is matched across the various public systems. They also explained that for the remaining 20 per cent of their tenants who pay rent they are looking at the limited use of credit reference matching. The Committee is concerned that the use of credit data matching is being ruled out for all NIHE tenants receiving benefits. In the Committee's opinion, targeted credit data matching could be useful in confirming where a tenant is actually living. The Committee would encourage NIHE to consider the use of targeted credit data matching in all suspected tenancy fraud investigations.

Strengthening Legislation

45. The Committee is aware that recently strengthened legislation in England and Wales has made sub-letting for profit a criminal offence. This legislation also enables social housing providers to require certain organisations such as utilities and financial institutions to provide information that may be reasonably required in the investigation of suspected tenancy fraud.

Recommendation 8

The Committee notes the local Tenancy Fraud Forum's review of the legislative position in Northern Ireland. The Committee recommends strengthening local legislation, particularly in relation to data sharing.

46. The Committee is very encouraged by the steps now being taken by NIHE and housing associations in the battle against social housing tenancy fraud in Northern Ireland. This good work must continue to ensure that the scarce resource of social housing is used as effectively as possible for the benefit of those in need of homes and to safeguard the taxpayer.



Northern Ireland
Assembly

Appendix 1

Minutes of Proceedings of the Committee Relating to the Report

Wednesday, 30 April 2014

Room 106, Parliament Buildings

Present: Ms Michaela Boyle (Chairperson)
Mr John Dallat (Deputy Chairperson)
Mr Trevor Clarke
Mr Michael Copeland
Mr Alex Easton
Mr Ross Hussey
Mr Daithí McKay
Mr Seán Rogers

In Attendance: Ms Lucia Wilson (Assembly Clerk)
Mr Trevor Allen (Assistant Assembly Clerk)
Mrs Danielle Saunders (Clerical Supervisor)
Mr Darren Weir (Clerical Officer)
Miss Clare Rice (Bursary Student)

Apologies: Mr Chris Hazzard
Mr Adrian McQuillan
Mr Paul Girvan

2.19pm The meeting opened in public session

2.26pm the meeting moved to closed session

5. Inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland – briefing session

2.27pm Mr Clarke joined the meeting

2.33pm Mr McKay joined the meeting

2.43pm Mr Rogers joined the meeting

2.43pm Mr Copeland left the meeting

Messrs Clarke, Hussey and Rogers declared an interest in this inquiry as private landlords

The Committee received briefing from the C&AG, Denver Lynn, Roger McCance and Richard Emerson on the Audit Office's report 'Tackling Social Housing Tenancy Fraud in Northern Ireland'.

3.05pm Mr Hussey left the meeting

Agreed: The Committee agreed to request updated information, from the Accounting Officer of the Department for Social Development, on the information contained in the Audit Office's report.

3.09pm Mr Hussey re-joined the meeting

[EXTRACT]

Wednesday, 14 May 2014

Senate Chamber, Parliament Buildings

Present: 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

In Attendance: Ms Lucia Wilson (Assembly Clerk)
Mr Trevor Allen (Assistant Assembly Clerk)
Mrs Danielle Saunders (Clerical Supervisor)
Mr Darren Weir (Clerical Officer)
Miss Clare Rice (Bursary Student)

Apologies: Mr Trevor Clarke
Mr Adrian McQuillan

2.04pm The meeting commenced in closed session

2.05pm Mr Girvan left the meeting

2.19pm Mr Girvan re-joined the meeting

4. Correspondence from Mr Will Haire, Accounting Officer, DSD on the Committee Inquiry in to Tackling Social Housing Tenancy Fraud in Northern Ireland

The Committee noted correspondence received from Mr Will Haire, Accounting Officer for DSD, in advance of the evidence session on the above inquiry.

2.31pm Mr Dallat left the meeting

2.32pm Mr Dallat re-joined the meeting

2.33pm The meeting moved into public session

6. Inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland – Evidence Session

Messrs Rogers, Girvan and Hussey declared an interest in this issue as private landlords

The Committee took oral evidence on the above inquiry from:

- Mr Will Haire, Accounting Officer, Department for Social Development;
- Mr Jim Wilkinson, Director of Housing, Department for Social Development;
- Ms Mags Lightbody, Acting Chief Executive, Northern Ireland Housing Executive;
- Mr Gerry Flynn, Director of Landlord Services, Northern Ireland Housing Executive; and
- Mr Cameron Watt, Chief Executive, Northern Ireland Federation of Housing Associations.

2.50pm Mr Copeland left the meeting

2.55pm Mr Copeland re-joined the meeting

2.58pm Mr Girvan and Mr Hazzard left the meeting

3.11pm Mr Dallat left the meeting

3.11pm Mr Hazzard re-joined the meeting

3.15pm Mr Dallat re-joined the meeting

3.35pm Mr Hazzard left the meeting

3.36pm Mr Easton left the meeting

3.39pm Mr Hazzard re-joined the meeting

3.44pm Mr Hazzard left the meeting

3.45pm Mr Girvan re-joined the meeting

3.45pm Mr Hussey left the meeting

3.47pm Mr Hazzard re-joined the meeting

4.23pm Mr McKay left the meeting

4.27pm Mr Copeland left the meeting

Agreed: The Committee agreed to seek further information from officials.

5.00pm The meeting moved into closed session

8. Consideration of Evidence Session on the Inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland

Members discussed the issues arising as a result of the evidence session on the above inquiry.

[EXTRACT]

Wednesday, 28 May 2014

Room 106, Parliament Buildings

Present: Ms Michaela Boyle (Chairperson)
Mr Trevor Clarke
Mr Michael Copeland
Mr Alex Easton
Mr Paul Girvan
Mr Ross Hussey
Mr Adrian McQuillan
Mr Seán Rogers

In Attendance: Ms Lucia Wilson (Assembly Clerk)
Mr Trevor Allen (Assistant Assembly Clerk)
Mrs Danielle Saunders (Clerical Supervisor)
Mr Darren Weir (Clerical Officer)
Miss Clare Rice (Bursary Student)

Apologies: Mr John Dallat (Deputy Chairperson)
Mr Chris Hazzard
Mr Daithí McKay

2.27pm The meeting opened in public session

2.32pm Mr Girvan joined the meeting

2.41pm Mr Copeland and Mr Rogers left the meeting

2.43pm Mr Easton joined the meeting

2.50pm Mr Copeland re-joined the meeting

2.53pm Mr Hussey left the meeting

2.57pm the meeting moved to closed session

6. Inquiry into Tackling Social Housing Tenancy Fraud – Issues Paper

Mr Girvan and Mr Clarke declared an interest in this issue as landlords.

The Committee considered an issues paper on this inquiry's evidence session of 14 May 2014.

Agreed: The Committee agreed to request additional information from the Department on issues raised and that the paper forms the basis of the Committee's draft report.

[EXTRACT]

Wednesday, 10 September 2014

Room 29, Parliament Buildings

Present: Ms Michaela Boyle (Chairperson)
Mr John Dallat (Deputy Chairperson)
Mr Trevor Clarke
Mr Alex Easton
Mr Paul Girvan
Mr Chris Hazzard
Mr Adrian McQuillan
Mr Seán Rogers

In Attendance: Ms Lucia Wilson (Assembly Clerk)
Mr Trevor Allen (Assistant Assembly Clerk)
Mrs Danielle Saunders (Clerical Supervisor)
Mr Darren Weir (Clerical Officer)

Apologies: Mr Michael Copeland
Mr Ross Hussey
Mr Daithí McKay

2.12pm The meeting began in public session

2.14pm Mr Hazzard joined the meeting

2.15pm Mr McQuillan joined the meeting

2.35pm Mr Hazzard left the meeting

2.38pm Mr Hazzard re-joined the meeting

2.44pm Mr Easton left the meeting

3.02pm Mr Eason re-joined the meeting

3.16pm The meeting moved to closed session

3.47pm Mr Girvan left the meeting

3.57pm Mr McQuillan left the meeting

4.06pm Mr Clarke left the meeting

4.11pm Mr Girvan re-joined the meeting

4.13pm Mr Dallat left the meeting

4.15pm Mr Girvan re-joined the meeting; the meeting became inquorate

4.24pm Mr Dallat re-joined the meeting; quorum returned

4.28pm Mr Girvan re-joined the meeting

4.28pm Mr Hazzard left the meeting

10. Inquiry in Tackling Social Housing Tenancy Fraud in Northern Ireland: Consideration of Draft Report

Agreed: Members agreed to defer consideration of the Committee's draft report on its inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland to the meeting of 24th September 2014.

[EXTRACT]

Wednesday, 24 September 2014

Room 29, Parliament Buildings

Present: Ms Michaela Boyle (Chairperson)
Mr John Dallat (Deputy Chairperson)
Mr Trevor Clarke
Mr Michael Copeland
Mr Paul Girvan
Mr Chris Hazzard
Mr Ross Hussey
Mr Daithí McKay

In Attendance: Ms Lucia Wilson (Assembly Clerk)
Mr Trevor Allen (Assistant Assembly Clerk)
Mr Jack Peel (Assistant Assembly Clerk)
Mrs Danielle Saunders (Clerical Supervisor)
Mr Darren Weir (Clerical Officer)

Apologies: Mr Alex Easton
Mr Sean Rogers
Mr Adrian McQuillan

2.16pm The meeting began in public session

2.22pm Mr Copeland left the meeting

2.23pm Mr Copeland re-joined the meeting

2.55pm Mr Copeland left the meeting

3.03pm The meeting moved into closed session

3.05pm Mr Copeland re-joined the meeting

3.09pm Mr Dallat left the meeting

3.11pm Mr Dallat re-joined the meeting

3.27pm Mr Hussey left the meeting

3.29pm Mr Girvan left the meeting

3.34pm Mr Hussey re-joined the meeting

3.36pm The meeting returned to public session

3.48pm Trevor Clarke left the meeting

3.55pm Michael Copeland left the meeting

3.58pm The meeting moved into closed session

8. Inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland: Consideration of Draft Report

Agreed: The Committee considered its draft report on the above inquiry.

Introduction Section

Paragraphs 1 to 6 read and agreed

The extent of tenancy fraud in Northern Ireland

Paragraphs 1 to 5 read and agreed

Recommendation 1 read and agreed

Paragraphs 6 to 9 read and agreed

The approach to tackling tenancy fraud in Northern Ireland

Paragraphs 10 to 14 read and agreed

Recommendation 2 read and agreed

Recommendation 3 read and agreed

Paragraphs 15 to 17 read and agreed

Recommendation 4 read and agreed

Paragraphs 18 to 21 read and agreed

Paragraphs 22 and 23 read and agreed

The costs of tenancy fraud and property recovery rates

Paragraphs 24 to 28 read and agreed

Collaboration

Paragraphs 29 to 31 read and agreed

Recommendation 5 read and agreed

Paragraph 32 read and agreed

Recommendation 6 read and agreed

Paragraph 33 read and agreed

Innovative Solutions

Paragraphs 34 to 37 read and agreed

Recommendation 7 read and agreed

Paragraphs 38 and 39 read and agreed

Recommendation 8 read and agreed

Paragraph 40 read and agreed

Executive Summary

Paragraphs 1 to 9 read and agreed

Summary of Recommendations

Recommendations 1 to 8 read and agreed

Agreed: The Committee agreed the minutes, minutes of evidence and correspondence to be included as appendices to the report.

Agreed: The Committee ordered the report to be printed

Agreed: The Committee agreed the report to be launched on Monday 22nd October and a press release be issued on Monday 15th October.

4:02pm Mr Girvan re-joined the meeting

4:02pm Mr McKay left the meeting

4:04pm Mr Copeland re-joined the meeting

4.20pm MrClarke re-joined the meeting

[EXTRACT]



Northern Ireland
Assembly

Appendix 2

Minutes of Evidence

14 May 2014

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	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.
7. 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?
 8. **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.
 9. 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.
 10. 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.
 11. 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'.
12. 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.
 13. 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.
 14. 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.
 15. 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.
 16. 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.
 17. 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.
 18. 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.
19. 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.
20. **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.
21. 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.
22. 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.
23. **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?
24. **Mr Haire:** Could you clarify what the 2,500 figure in the ‘Spotlight’ programme referred to in particular?
25. **The Chairperson:** Fraudulently occupied properties.
26. **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?
27. 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 —
28. **Ms Lightbody:** 16.
29. **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.

30. 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.
31. **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?
32. **Mr Haire:** As I described, our work to date has shown lower levels at the moment. We do not —
33. **The Chairperson:** Do you have a figure?
34. **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.
35. 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.
36. We see it as a significant issue. We are not confident that we can yet put a figure on it at this level.
37. **The Chairperson:** OK, thank you.
38. **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?
39. **Mr Haire:** Sorry, are you asking about checking the tenancy in all processes?
40. **Mr Dallat:** Yes.
41. **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.
42. **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?
43. **Mr Haire:** Sorry, it is checking the tenancy issue.
44. **Mr Dallat:** I know.
45. **Mr Haire:** We can take the ownership. We have checked those issues out.
46. **Mr Dallat:** I am talking about landlords who have tenants. Would it take them several years to check who was in their houses?

47. **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 —
48. **Mr Dallat:** Is yours not core business?
49. **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.
50. 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.
51. **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.
52. 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.
53. **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.
54. **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.
55. 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.
56. **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.
57. 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.
58. **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?
59. **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 collected 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.
60. **Mr Easton:** So, between the two of you, 1,600 houses have been abandoned, with approximately 800 for housing associations.
61. **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, at 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 finding out how many houses had been abandoned.
62. 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.
63. **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.
64. **Mr Easton:** Were you indicating that the subletting issue was down to management mistakes, as opposed to fraud?
65. **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 gave the figures for those.
66. **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?
67. **Mr Haire:** Gerry will give a sense of the abandonment issue.
68. **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.
69. **Mr Easton:** So, is it fair to say that, between 2000 and 2012, the Housing Executive and housing associations recovered 368 abandoned properties?
70. **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.
71. **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?
72. **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.
73. **Mr Easton:** Obviously, housing benefit fraud is attached to some of that. Is that right?
74. **Mr Haire:** There are potentially such cases.
75. **Mr Easton:** You do not know how many.
76. **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.
77. **Mr Easton:** You will not know that they are claiming all their benefits from the one property.
78. **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.
79. **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.
80. **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.
81. **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.
82. 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.
83. **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.
84. **Mr Haire:** We will try to look at that and will come back to you on it.

85. **Mr Easton:** OK. I will move on to other questions.
86. Do you have figures for other types of tenancy fraud? What is the extent of the problem in subletting or false succession, for example?
87. **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.
88. **Mr Easton:** How many prosecutions have there been for tenancy fraud so far?
89. **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.
90. **Mr Easton:** So, does that mean that, at present, there have been none?
91. **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?
92. **Mr Flynn:** Do you mean processing cases? There are three.
93. **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.
94. **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?
95. **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.
96. **Mr Easton:** Do you think that you now have the laws in place to do that?
97. **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 —
98. **Mr Easton:** Have you not used it yet?
99. **Mr Flynn:** We do not have it in place yet.
100. **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.
101. 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.
102. **The Chairperson:** We need to strengthen our legislation in line with changes that are being made across in GB.
103. **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.
104. **Mr Easton:** Was there not a Fraud Act in 2006?
105. **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.
106. **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 —
107. **Mr Wilkinson:** It is fair to say that no cases were taken under the Fraud Act until recently. Most of them —
108. **Mr Easton:** Is that not a bit poor?
109. **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.
110. **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?

111. **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?
112. **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.
113. **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.
114. **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?
115. **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.
116. **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.
117. **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?
118. **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.
119. **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.
120. **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?
121. **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.
122. **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?
123. **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 —
124. **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.
125. **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.
126. **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 —
127. **Mr Hussey:** Surely, in those cases, where somebody is ill or in hospital, the person can hold the tenancy for up to a year.
128. **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.
129. 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.
130. **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.
131. 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.
132. 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?
133. **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.
134. 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.
135. 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.
136. 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.
137. 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.
138. 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.
139. **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.
140. **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.
141. 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.
142. 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.
143. 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.
144. **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.
145. **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.
146. 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.
147. **Mr Hussey:** I am going to come to the end, Chair, you will be glad to hear.
148. 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.
149. **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.
150. 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.
151. **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.
152. 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.]*
153. **The Chairperson:** Thank you, Mr Hussey.
154. **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.
155. 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.
156. 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.
157. 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.
158. **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.
159. **Mr Copeland:** Fraud is dwarfed by error, both by customers and the Department.
160. **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.
161. **Ms Lightbody:** I will not bore you again with the years of action that we have been through.
162. **Mr Copeland:** It was not boring.
163. **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.
164. 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.
165. 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.
166. 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.
167. **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.
168. 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.
169. 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.
170. 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.
171. **The Chairperson:** I will allow Mr Girvan and the Deputy Chairperson to ask brief supplementary questions.
172. **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.
173. **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.
174. 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.
175. **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.
176. 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.
177. 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.
178. **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.
179. **Mr Watt:** They have all been checked.
180. **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.
181. **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.
182. **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.
183. **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.
184. **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.
185. **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?
186. **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.
187. In others, for example, the likes of St Matthews in Short Strand, which has 188 properties in a very tightly defined geographical area —
188. **Mr Dallat:** Alpha has 3,402 properties and managed to recover four. They were not all sheltered houses.
189. **Mr Watt:** I am sorry, are you talking about Clanmil or Alpha? Alpha, again, is all sheltered housing, so I would be astonished —
190. **Mr Dallat:** I am sorry — Apex.
191. **Mr Watt:** Overall, Apex —
192. **Mr Dallat:** That was the one you held up as an example.
193. **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.
194. 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.
195. **Mr Dallat:** Let us take the Northern Ireland Housing Executive as the baseline. You are not even in the running.
196. **Mr Watt:** The level of recoveries for the Housing Executive and associations is comparable.
197. **Mr Dallat:** Not in my book.
198. **Mr Watt:** I do not know which figures you are looking at.
199. **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.
200. **Mr Dallat:** OK, I will come back later.
201. **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?

202. **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.
203. **Mr Copeland:** So, it is being implemented as we speak.
204. **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.
205. **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?
206. **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.
207. 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.
208. 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.
209. **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?
210. **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.
211. 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.
212. **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.

213. 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?
214. **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 —
215. **Mr Copeland:** Did the activity in Northern Ireland start within the Housing Executive or within the Department?
216. **Mr Haire:** It was the Housing Executive that led on the process here, because it was connected into the process.
217. **Mr Copeland:** I did, with respect, address my question to the Department.
218. **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.
219. **Mr Copeland:** Would it be true to say that, in this case, the Housing Executive was ahead of the Department?
220. **Mr Haire:** Absolutely. We work in close partnership on the issue.
221. **Mr Copeland:** Credit where it is due. I am a big fan of the Housing Executive.
222. 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?
223. **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.
224. **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.
225. **Mr Haire:** On housing benefit, it is acting as an agent of the Department.
226. **Mr Copeland:** I understand that, but it is the source.
227. **Mr Haire:** The issues are wider than housing benefit, as we have described.
228. **Mr Copeland:** I understand that, but it is a starting point.
229. **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.
230. **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.
231. **Mr Copeland:** Who is responsible for the approval, if approval is necessary?
232. **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.
233. 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.
234. **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.
235. **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?
236. **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.
237. **Mr Dallat:** To what extent are the housing associations participating in the National Fraud Initiative?

238. **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.
239. 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.
240. **Mr Dallat:** How much of this activity is generated through the tenancy fraud forum?
241. **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.
242. **Mr Dallat:** It seems, Mr Watt, that there is a lot to do.
243. **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.
244. **Mr Dallat:** You mentioned your relationship with the utility providers. At what stage is that relationship with electricity, telephone, water and so on?
245. **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.
246. **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?

247. **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.
248. **Mr Dallat:** Would you be happy to provide a progress report on a regular basis on what you have just promised?
249. **Mr Watt:** Ideally, I would like to dovetail any progress report to the Committee with a regulatory inspection requirement.
250. **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.
251. **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.
252. **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.
253. **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.
254. **Mr Dallat:** Ms Lightbody, just in case you feel left out, are you prepared to give the Public Accounts Committee the same undertaking?
255. **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.
256. **Mr Dallat:** That is fine.
257. **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?
258. **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.
259. **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?
260. **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.
261. **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?
262. **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.
263. **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?
264. **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.
265. **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.
266. **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?
267. **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.
268. **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.
269. **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.
270. **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.
271. **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.
272. **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.
273. **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.
274. **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?
275. **Mr Flynn:** Do you mean in dealing with tenancy fraud?
276. **Mr Rogers:** Yes.
277. **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.
278. **Mr Rogers:** Sorry; how is that served to the house? If the house is empty and they live four doors —
279. **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.
280. **Mr Rogers:** What if it is answered and they are in the house when you arrive?
281. **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.
282. 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.
283. **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?
284. **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.
285. **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?
286. **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.
287. **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?
288. **Mr Flynn:** Pretty robust.
289. **Mr Rogers:** Could it be better?
290. **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.
291. **Mr Rogers:** But it is not up near 10.
292. **Mr Flynn:** No, and I do not believe that it could ever be at 10.
293. **Mr Rogers:** On the same page, it states:
“All reports of potential tenancy misuse and fraud will continue to be fully investigated”
294. 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?
295. **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.
296. **Mr Rogers:** So, none were transferred in 2012 and 2013. Have any been transferred this year?
297. **Mr Haire:** I think that 80 have been sent this year.
298. **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.
299. **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.
300. **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.
301. **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?
302. **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.
303. **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?
304. **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.
305. **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.
306. **Mr Rogers:** Mr Haire, do you believe that having one number for the complete sector would be a good idea?
307. **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.
308. **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.
309. **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?
310. **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.
311. 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.
312. 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.
313. **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.
314. **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?
315. **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.
316. **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.
317. 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.
318. 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.
319. **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.
320. **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.
321. I want to mention the Apex strategy that was mentioned earlier. That will be coming to the Committee.
322. **Mr Watt:** I am sure that Apex will be very happy to provide that to the Committee.
323. **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.
324. 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.
325. **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.
326. 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.
327. **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?
328. **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?
329. **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 —

330. **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.
331. **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.
332. **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.
333. **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.
334. **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.



Northern Ireland
Assembly

Appendix 3

Correspondence

Correspondence of 2 May 2014 from Department of Social Development

From: The Permanent Secretary
Mr Will Haire

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2 May 2014

Dear Michaela

PAC Inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland

In preparation for the Committee hearing on 14 May 2014, please find attached figure 1 featuring updated information which is now available.

In addition NIHE has, since the publication of the report, undergone a restructuring programme. Its office network has now been reduced from 35 district offices and 5 areas to 12 areas and 3 regions. Appendix 2 provided has been updated with the new operational structures.

Yours sincerely



Will Haire

cc: Lucia Wilson Committee clerk
Kieran Donnelly NIAO
Richard Emerson NIAO
Roger McCance NIAO
Mick Brennan DFP
Julie Sewell DFP
Jim Wilkinson DSD
Mags Lightbody NIHE
Michael Conway NIHE
Michael Woods DSD
Bernie Traill DSD

Figure 1

	Estimated Need	Planned New Build Starts
2007-08	2,500	1,500
2008-09	3,000	1,500
2009-10	2,500	1,750
2010-11	2,500	2,000
2011-12	2,000	1,400
2012-13	2,000	1,325
2013-14	2,000	1,175
2014-15	2,000	2,000
Total	18,500	12,650

Updated Appendix 2

NIHE properties recovered in 2012-13					
NIHE Local Office	Housing Stock	Abandonment and Non Occupation Notices Served	Properties recovered	Audit Commission 1% Benchmark	Audit Commission 2% Benchmark
Belfast West	8537	62	30	85	171
Belfast East/South	7333	104	24	73	147
Belfast North	6232	28	4	62	125
Belfast Area	22102	194	58	220	443
North Down & Ards	6499	16	10	65	130
South Down	5407	18	6	54	108
Lisburn/ Castlereagh	9880	37	18	98	198
South	7788	44	28	78	155
South West	6536	30	17	66	131
South Region	36110	145	79	361	722
South Antrim	6632	53	18	67	132
East	7182	67	25	72	144
West	9062	49	13	91	181
Causeway	6746	27	10	66	135
North Region	29622	196	66	296	592
Northern Ireland	87834	535	203	877	1757

Correspondence of 2 May 2014 to Department of Social Development

Public Accounts Committee

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2 May 2014

Will Haire
Accounting Officer
Department of Social Development
Lighthouse Building
1 Cromac Place
Ormeau Road
Belfast
BT7 2JB

Dear Will,

Tackling Social Housing Tenancy Fraud – Request for Information in Advance of Evidence Session

The PAC, at its meeting on 30 April, received a briefing from Audit Office Officials on their report 'Tackling Social Housing Tenancy Fraud in Northern Ireland¹'.

At the meeting, Members agreed to request from you further information to that contained in the report. The reason for requesting this is to ensure that information considered by the Committee during its inquiry is as up to date as possible.

At the time of writing its report, the Audit Office was in a position to consider figures up to 2012, and the Committee would ask for an update on the following:

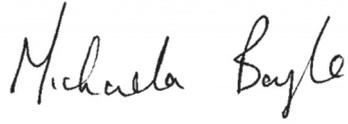
- the cost of temporary accommodation (see figure 3 on page 8 of the Audit Office report): the Committee would ask for the figures relating to 2013; and
- The number of Housing Association properties recovered due to abandonment since 2009 (see appendix 1 on page 26): the Committee would ask for information covering 2012-13.

At the meeting the Committee had agreed to request an update on the number of NIHE properties recovered but you have kindly provided this information in the correspondence that you forwarded to me today. Thank you for this information and for the information that you provided on estimated need and planned New Build starts; this will be considered by the Committee at its meeting next week.

1 http://www.niauditoffice.gov.uk/index/publications/report_archive_home/2013/tackling_social_housing_tenancy_fraud_in_northern_ireland.htm

I should be grateful if you would provide the requested information by close of play on Thursday 9th May so that it may be considered by Members in advance of the evidence session on 14th May. If this deadline is not possible I would ask that you contact the Clerk to the PAC on (028) 9052 1208, to discuss.

Yours sincerely,

A handwritten signature in black ink that reads "Michaela Boyle". The signature is written in a cursive style with a large initial 'M'.

Michaela Boyle
Chairperson
Public Accounts Committee

Correspondence submitted on 13 May 2014 by Department of Social Development

Tenancy Fraud Strategy

Introduction

1. This paper sets out a range of Tenancy Misuse/Fraud Strategy (TFS) measures to allow staff to effectively prevent, detect and tackle tenancy misuse and fraud. Subject to Board approval, these will be implemented during the incoming financial year.
2. The TFS measures combine current procedures and other good practice elsewhere and have been developed through discussion with the Housing and Regeneration Performance Review Group and the Central Housing Community Network.

Background

3. Tenancy misuse and or fraud may occur in the following circumstances; if a tenant is not using the property as their sole or principal home, if a tenant is attempting to obtain a property using false statements or false documents, if unauthorised sub-letting or Key Selling (tenant leaves the property and passes the key on, in return for a lump sum/favour) is occurring.
4. The TFS will provide a framework for the Northern Ireland Housing Executive to identify and address social housing tenancy misuse and or fraud within its stock. The overall aim of the TFS is to minimise tenancy misuse and fraud and to enable the recovery of any properties that are unlawfully occupied, therefore, maximising appropriate use of the limited housing stock.
5. The planned TFS approach is set out below under four headings – ‘New and Potential Tenancies’; Existing Tenancies’; Legal Action’; and ‘General Publicity’.

New and Potential Tenancies

6. All applicants applying for housing have to supply proof of identity and confirmation of ID is recorded on file.
7. When a Housing applicant is registered on the Housing Management System they will receive an acknowledgement letter which includes a Declaration Statement that advises applicants that if they give false information it may lead to prosecution and that withholding information may lead to the loss of any tenancy as a result of this application.
8. Currently, all new tenants have to provide photographic ID when they are signing up for a tenancy; if a tenant can't provide this, they are asked to provide two other types of ID. It is proposed that photographic ID should be required for all new tenancies and in the event of a tenant being unable to provide a satisfactory photographic ID, a photograph will be taken of new tenants. The photographic I.D. will be copied and held on file. Suitable equipment will be provided in offices.
9. It is also proposed to visit all new tenants in the first year of tenancy, unannounced in order to confirm that the tenant is actually occupying the property. Photographic I.D. information obtained at sign-up will be used for verification purposes and signatures may also be checked.
10. It should also be noted that data sharing arrangements in relation to applicants/potential new tenants have recently been agreed with other social housing providers through an Information Sharing Protocol Agreement.

Existing Tenants

11. In order to detect tenancy misuse/fraud, NIHE can take reports by phone about tenancy misuse or fraud from residents, tenants, resident groups and members of staff. This facility will be further highlighted to staff and through the Housing Community Network (see also 'General Publicity' below). CSU staff will be advised that callers do not have to give their name or address when reporting suspected tenancy misuse or fraud. There is currently a link to "Tenancy Fraud" on the front page of the NIHE website which includes a facility to record fraud on-line.
12. Districts have been issued with Policy and procedures in order to investigate non – occupation and abandonment of tenancies. This includes current procedures in place with Districts to investigate all cases that Gas Servicing has not taken place because a Contractor has not been able to gain admittance to a tenanted property.
13. When the Welfare Reform Telephone Contact Centre is operational it will be contacting 27,000 NIHE tenants (due to forthcoming under-occupation restrictions). The tenants will be asked to provide NINO and D.O.B. for verification purposes. Policy and procedures are being developed for staff to refer suspected cases of fraud to the relevant District Offices for further investigation.
14. The Housing Executive is taking part in the National Fraud Initiative which involves data matching with other local authorities by comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified and subject to further investigation.
15. Contact will be made with Utility Providers with a view to developing new data sharing arrangements.
16. All reports of potential tenancy misuse / fraud will continue to be fully investigated. A Tenancy Misuse/Fraud Register will be developed for all Districts to record all reports of potential tenancy misuse/fraud and investigations carried out (Districts currently have to maintain a Register in relation to action taken in relation to legal notices served in relation to non occupation and abandonment).

Legal Action

17. If unlawful sub-letting/key selling has been committed by a NIHE tenant, we will take appropriate legal action to obtain outright possession against the person(s). If any act of tenancy fraud includes committing a criminal offence we will always notify the police.
18. In general, it is proposed to adopt a more robust approach and consider proceeding with legal action in more cases to obtain possession. A few test cases have been identified and are under further investigation.
19. The NIHE has also argued in response to DSD's consultation on a Housing Strategy that consideration be given to the legal changes in England making Tenancy Fraud a criminal offence.

General Publicity

20. An advertising strategy on Tenancy Misuse and Fraud will be developed to include the following: Housing News, NIHE website, leaflets and posters.
21. This will highlight the penalties that may be applied (such as prosecution, loss of tenancy, disqualification for social housing) and also promoting the general message that tenancy misuse or fraud has negative consequences for communities. Consideration will also be given to use of local media to publicise any prosecutions.

Conclusion

22. In summary this paper sets out a range of actions to enhance the Housing Executive's controls with regard to Tenancy Fraud.

Notes:

This is the Tenancy Fraud Strategy approved at NIHE Board in April 2013. Its' implementation was held pending the receipt of the NIAO Report, which was initially scheduled for July 2013 publication. Following the subsequent NIAO publication in September 2013 NIHE Board were also advised of the recommendations in the NIAO Report and of the intention to commence implementation of these in conjunction with the Tenancy Fraud Strategy during the remainder of the 2013/14 financial year.

It should be noted that this is a 'living' document in the sense that NIHE are continuing to monitor best practice etc. elsewhere in UK and add to it as appropriate. For example, following discussions with the Tenancy Fraud Forum NIHE have now commenced a programme of annual tenancy audits.

A paper on progress on the implementation of NIHE actions in relation to Tenancy Fraud including a review of actions to be implemented during 2014/15 is currently being prepared for submission to NIHE June Board meeting (and this will also be forward to DSD).

Correspondence of 15 May 2014 to Department of Social Development

Public Accounts Committee

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15 May 2014

Will Haire
Accounting Officer
Department for Social Development

Dear Will,

Follow-up to PAC Evidence Session

In the course of the Public Accounts Committee evidence session on 14th May 2014, your colleague, Mr. Cameron Watt, agreed to forward the details of the tenancy strategy used by Apex Housing Group to the Committee. We should be grateful if you could co-ordinate this response and forward the information to the Committee by 30th May 2014.

Thank you again to you and your colleagues for the evidence you gave during the meeting.

Yours sincerely,



Michaela Boyle
Chairperson,
Public Accounts Committee

Correspondence of 29 May 2014 from Department of Social Development



From: The Permanent Secretary
Mr Will Haire

Lighthouse Building
1 Cromac Place
Gasworks Business Park
Ormeau Road
BELFAST
BT7 2JB

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Michaela Boyle
Chairperson
Public Accounts Committee
Room 371, Parliament Buildings
Stormont
BELFAST
BT4 3XX

29 May 2014

Dear Michaela

TENANCY FRAUD

Thank you for your letter of 15 May requesting that details of the tenancy strategy used by Apex Housing Group to be forwarded to the Committee by 30 May.

Cameron Watt of the NIFHA has advised that although Apex has already been very active in this area the attached documents will be confirmed by the Apex Housing Group Housing Management Committee at their next meeting on 30 May 2014. Any changes are expected to be minimal but if there is any change to that position I will advise you.

I hope the Committee finds these helpful.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Will Haire".

WILL HAIRE

Tenancy Fraud Action Plan 2014-2015

Policy Ref Number: **HM:TM: 16**

Date: **April 2014**

Reviewed:

Next Review: **April 2015**

Department: **Housing & Care Services**

Action	Key Tasks	Responsibility	Target Date
Prevention - Apex will:			
1. Assess the risk of tenancy fraud and put the necessary measures in place to prevent, detect and respond to tenancy fraud	Complete Organisational and Departmental Risk Management Process.	Director of Housing and Care Services	May 2014
	2. Provide information and regularly publicise its Tenancy Fraud Policy and Strategy.	Tenants Forum & Housing Management Committee	May 2014
2. Provide information and regularly publicise its Tenancy Fraud Policy and Strategy.	Approve Tenancy Fraud Policy and Strategy.	Director of Housing and Care Services	June 2014
	Launch Policy & Strategy	Housing Manager	June 2014
	Include Information Leaflet in Tenancy Information Packs	Housing Manager	June 2014
	Publicise on Website	Housing Manager	June 2014
Publicise in Observer	Publicise in Observer	Housing Manager	Autumn/Winter 2014

Action	Key Tasks	Responsibility	Target Date
Detection - Apex will:			
3. Obtain photographic identification for all new tenants and retain this on file. Consider process for obtaining photographic identification from current tenants.	Develop processes for obtaining, retaining and verifying photographic ID, considering data protection matters, etc.	Housing Manager	May June 2014
4. Provide training for staff and contractors on the Tenancy Fraud Policy and Strategy	Develop programme of training for: - Housing Management Staff - Property Services Staff - Contractors Implement training	Housing Manager	June 2014
5. Complete COT visits 4-6 weeks after a tenancy begins	Implement COT Visits Policy & Procedure	Housing Officers	Ongoing
6. Undertake estate visits at least quarterly	Implement Estate Visits Policy & Procedure	Housing Officers	Ongoing

Action	Key Tasks	Responsibility	Target Date
7. Complete annual tenancy audit and select a sample for unannounced visits to verify information provided and occupancy, using photographic I.D. as verification	Complete Annual Tenancy Audit. Develop a procedure for sampling and home visits. Implement annual audit of sample home visits.	Performance & Quality Improvement Manager Performance & Quality Improvement Manager Housing Managers/Housing & Care Services Managers	Annually December 2014 March 2015
8. Implement steps for responding to cases of suspected and detected tenancy fraud	Implement training on procedures as part of 3 above.	Housing Manager	June - September 2014
9. Work to develop information sharing with other organisations to assist with the detection of tenancy fraud (Information Sharing Protocol(s)/National Fraud Initiative)	Put in place arrangements for updating of Fraud Register. Review information Sharing Protocols available and clarify Apex's ability to use existing measures. Participate in discussions with NIFHA/NIFE and explore information sharing options/developing protocols. Consider participating in the National Fraud Initiative and action as agreed	Housing Manager Housing Manager Housing Manager Housing Manager	June 2014 May - September 2014 December 2014 September 2014

Action	Key Tasks	Responsibility	Target Date
Action - Apex will:			
10	Record all suspected and detected cases in the Fraud Register	Housing Manager	June 2014
11	Review the organisational Fraud Policy to take account of the Tenancy Fraud Policy and Strategy and ensure the appropriate reporting mechanisms are put in place.	Housing Manager	June 2014
	Implement recording in the Fraud Register.	Director of Personnel & Training	June 2014
	Provide training as 3 above in regard to completion of register	Housing Managers/Housing and Care Services Managers	Monthly
	Review the organisational Fraud Policy to take account of the Tenancy Fraud Policy and Strategy.	Director of Housing and Care Services	Quarterly
	Monitor the tenancy fraud register and discuss at Team Meetings	Director of Housing and Care Services	At least Annually
	Report on tenancy fraud to the Housing Management Committee quarterly.	Director of Personnel & Training	Quarterly
	Report on tenancy fraud to the Audit and Risk Assurance Committee.		
	Report on Tenancy Fraud as part of the organisation's fraud reporting to DSD.		

Action	Key Tasks	Responsibility	Target Date
12 Implement policies and procedures to obtain possession of the property and take action to address the fraud	<p>In developing the Tenancy Fraud Policy, ensure all related policies, procedures and guidance are referred to and linked within the policy, including: ASB; Abandoned Tenancies; Assignment & Succession; Possession Proceedings; Disqualification; etc.</p> <p>Ensure training includes guidance for staff on implementation of the relevant policies related to the prevention, detection and actioning of Tenancy Fraud.</p>	Housing Manager	June - September 2014
13 Review the use of data matching services to assist with the detection of tenancy fraud.	<p>Review effectiveness of 192.com</p> <p>Consider the benefits of extending the use of data matching services to assist in detecting tenancy fraud and investigate systems that may assist.</p> <p>Consider participation in the National Fraud Initiative and action as necessary.</p>	<p>Housing Managers</p> <p>Performance & Quality Improvement Manager</p> <p>Director of Housing and Care Services</p>	<p>September 2014</p> <p>December 2014</p> <p>September 2014</p>

APEX HOUSING ASSOCIATION LTD

Policy: Tenancy Fraud Policy

DATE: April 2014

REVISED:

DEPARTMENT: Housing & Care Services Dept.

**NEXT
REVIEW: April 2017**

POLICY REF: HM:TM:14

PAGES: 1 of 4

THIS POLICY IS AVAILABLE IN ALTERNATIVE FORMATS ON REQUEST

Introduction

Apex Housing Association will seek to take all appropriate measures available to it to safeguard and ensure the proper use of funds for which it has responsibility and control.

The Association aims to effectively eliminate opportunities for fraudulent activity by having appropriate arrangements and controls in place. This will enable the Association to target more resources at providing quality and affordable accommodation, care and support.

Tenancy fraud is one form of fraud to which Apex Housing Association is exposed and given its responsibilities in regard to the provision of social housing for those in greatest need, the Association is committed to preventing, detecting and tackling tenancy fraud to ensure best use is made of its housing stock.

With demand for social housing increasingly outstripping supply, if tenancy fraud is not addressed it can impact negatively on the provision of housing to those in genuine need. Apex will therefore implement its Tenancy Fraud Policy, Strategy and action Plan to prevent tenancy fraud and, where it arises, ensure that it is addressed, so that best use is made of its housing stock.

What is Tenancy Fraud?

Tenancy fraud is the use of social housing by someone who is not entitled to it. This includes:

- Giving false information in a housing application to improve the chances of getting a property, for example falsely claiming to be living with a relative or failing to disclose a change of circumstances;
- Abandonment of the property and living elsewhere, either leaving the property empty or selling the key to someone else for a one off payment, for example where a tenant leaves their own property to move in with a partner;
- Subletting the property to someone who is not entitled to live there. Often in these cases the person renting the property does not know that their 'landlord' does not own the property;
- False succession where the tenancy is taken over, often on the death of the tenant, by someone who falsely claims to have been living there for some time;
- Unlawful assignment which occurs when a tenant has moved out and given the property over to a friend or family member, allowing them to 'queue jump' the waiting list and bypass the assessment for social housing; and
- Providing misleading information on an application to purchase the property, through the right to buy scheme.

(Tackling Tenancy Fraud in Northern Ireland, Northern Ireland Audit Office Report, 2013)

Aim and Objectives of the Tenancy Fraud Policy

Aim

Apex's Tenancy Fraud Policy aims to prevent, detect and take action where tenancy fraud is suspected.

Objectives

The objectives of the policy are:

- To raise awareness to assist with the prevention, detection and actioning of tenancy fraud.
- To ensure training, support and guidance is provided to prevent, detect and action tenancy fraud....
- To ensure best use is made of Apex's housing stock.

Legislation

Where tenancy fraud is detected Apex may instigate legal action under:

- The Fraud Act 2006
- The Proceeds of Crime Act 2002

If proceedings for possession are necessary, action may also be taken under the Housing (NI) Order 1983.

Policy Statement

Apex's Tenancy Fraud Policy focuses on three key principles:

1. **Prevention**
2. **Detection**
3. **Action**

The Tenancy Fraud Policy, Strategy and Action Plan, set out the measures Apex will implement to prevent and detect fraud, as well as the action it will take where fraud is suspected or detected.

1. Prevention

It is more efficient and cost-effective to prevent tenancy fraud occurring. To prevent such fraud Apex will:

- i. Provide information and regularly publicise its Tenancy Fraud Policy and Strategy.
- ii. Obtain photographic identification for tenants, retain this on file and use it as a means of verification.

2. Detection

To assist in detecting tenancy fraud, Apex will:

- i. Provide training for staff and contractors on tenancy fraud.
- ii. Complete Commencement of Tenancy visits 4-6 weeks after a tenancy begins.
- iii. Undertake estate visits at least quarterly.
- iv. Complete annual tenancy audits and select a sample for unannounced visits to verify information provided and occupancy.
- v. Provide mechanisms for the confidential reporting of suspected tenancy fraud.
- vi. Implement procedures for responding to cases of suspected and detected tenancy fraud.
- vii. Work to develop information sharing with other organisations to assist with the detection of tenancy fraud.

3. Action

Where tenancy fraud is suspected or detected, Apex will:

- i. Record cases in the Fraud Register.
- ii. Implement the Tenancy Fraud Policy, Strategy and Action Plan and any other relevant policy as necessary
- iii. Report on tenancy fraud as required.

Tenancy Fraud Strategy and Action Plan

Apex's Tenancy Fraud Strategy sets out the Association's approach to tenancy fraud. The Action Plan details the steps to be implemented to prevent and detect tenancy fraud and the action to be taken where such fraud is identified.

Implementation

To ensure Apex complies with its obligations in regard to tenancy fraud, staff are required to implement the Tenancy Fraud Policy, Strategy and Action Plan, as well as any other relevant policies as necessary, e.g.: Fraud Policy; Data Protection Policy; Lone Working Policy; etc.

APEX HOUSING ASSOCIATION LTD

Policy: Tenancy Fraud Strategy

DATE: April 2014

REVISED:

DEPARTMENT: Housing & Care Services Dept.

**NEXT
REVIEW: April 2015**

POLICY REF: HM:TM:15

PAGES: 1 of 8

THIS POLICY IS AVAILABLE IN ALTERNATIVE FORMATS ON REQUEST

Introduction

Apex Housing Association is committed to preventing, detecting and tackling tenancy fraud.

With demand for social housing increasingly outstripping supply, it is important to ensure that those in most need are housed. Tenancy fraud, if not addressed can impact negatively on this. Apex will therefore implement its Tenancy Fraud Policy, Strategy and Action Plan to prevent tenancy fraud and, where it arises, ensure that it is addressed, so that best use is made of its housing stock.

What is Tenancy Fraud?

Tenancy fraud is the use of social housing by someone who is not entitled to it. This includes:

- Giving false information in a housing application to improve the chances of getting a property, for example falsely claiming to be living with a relative or failing to disclose a change of circumstances;
- Abandonment of the property and living elsewhere, either leaving the property empty or selling the key to someone else for a one off payment, for example where a tenant leaves their own property to move in with a partner;
- Subletting the property to someone who is not entitled to live there. Often in these cases the person renting the property does not know that their 'landlord' does not own the property;
- False succession where the tenancy is taken over, often on the death of the tenant, by someone who falsely claims to have been living there for some time;

- Unlawful assignment which occurs when a tenant has moved out and given the property over to a friend or family member, allowing them to 'queue jump' the waiting list and bypass the assessment for social housing; and
- Providing misleading information on an application to purchase the property, through the right to buy scheme.

(Tackling Tenancy Fraud in Northern Ireland, Northern Ireland Audit Office Report, 2013)

Preventing tenancy fraud ensures that social housing is occupied by those in genuine need.

Where tenancy fraud arises it has the potential to: prevent those in genuine need being housed; create difficulties in dealing with antisocial behaviour and repairs; impact negatively on community relations; result in benefit fraud and increase costs by keeping families in temporary accommodation while social rented properties are unlawfully occupied.

Aim and Objectives of the Tenancy Fraud Strategy

Aim

Apex's Tenancy Fraud Policy aims to prevent, detect and take action where tenancy fraud is suspected.

Objectives

The objectives of the policy are:

- To raise awareness to assist with the prevention, detection and actioning of tenancy fraud.
- To ensure training, support and guidance is provided to prevent, detect and action tenancy fraud.
- To ensure best use is made of Apex's housing stock.

Legislation

Whilst unlike England, Northern Ireland does not yet have specific social housing fraud legislation, where such fraud is detected and legal action is appropriate, dependent upon the nature of the fraud, it may be progressed under:

- The Fraud Act 2006
- The Proceeds of Crime Act 2002

If proceedings for possession are necessary, action may also be taken under the Housing (NI) Order 1983.

Policy Statement

Apex's policy in regard to Tenancy Fraud will focus on three key principles:

1. **Prevention**
2. **Detection**
3. **Action**

As part of its general approach to housing management, Apex currently implements a number of measures which assist in preventing, detecting and actioning tenancy fraud.

Implementation of the Tenancy Fraud Policy, Strategy and Action Plan will ensure a more proactive approach to implementing current and additional measures to prevent, detect and taking action where tenancy fraud is suspected..

1. Prevention

It is more efficient and cost-effective to prevent tenancy fraud occurring. To prevent such fraud Apex will:

- i. Provide information and regularly publicise its Tenancy Fraud Policy and Strategy.
- ii. Obtain photographic identification for tenants, retain this on file and use it as a means of verification.

2. Detection

To assist in detecting tenancy fraud, Apex will:

- i. Provide training for staff and contractors on the Tenancy Fraud Policy and Strategy
- ii. Complete Commencement of Tenancy visits 4-6 weeks after a tenancy begins
- iii. Undertake estate visits at least quarterly
- iv. Complete annual tenancy audits and select a sample for unannounced visits to verify information provided and occupancy
- v. Provide mechanisms for the confidential reporting of suspected tenancy fraud
- vi. Implement procedures for responding to cases of suspected and detected tenancy fraud
- vii. Work to develop information sharing with other organisations to assist with the detection of tenancy fraud (Information Sharing Protocol(s)/National Fraud Initiative)

3. Action

Where tenancy fraud is suspected or detected, Apex will:

- i. Record cases in the Fraud Register
- ii. Implement policies and procedures to obtain possession of the property and take action to address the fraud
- iii. Report to the Audit & Risk Assurance Committee and the Housing Management Committee in regard to tenancy fraud
- iv. Report to external organisation's including DSD, NIHE, Social Security Agency, PSNI, etc. as necessary

These measures are set out in the Action Plan attached at HM:TM:16.

Responding to Tenancy Fraud

Prior to developing its Tenancy Fraud Policy and Strategy, Apex implemented a range of policies, procedures and systems which assisted with preventing, detecting and responding to breaches of tenancy which included breaches classified as tenancy fraud. These measures are now included in the Tenancy Fraud Action Plan and include:

1. The Risk Management Process

Apex implements a risk management process and maintains a Risk Register to manage risk. The risk posed by tenancy fraud is now be considered as part of this process.

2. Fraud Policy

Apex implements a Fraud Policy to safeguard and ensure the proper use of funds for which it has responsibility. In implementing the Fraud Policy and Tenancy Fraud Policy, Strategy and Action Plan, the Association seeks to effectively eliminate opportunities for fraudulent activity by having appropriate arrangements and controls in place. The Fraud Policy will be reviewed to reflect development and implementation of the Tenancy Fraud Policy and Strategy.

3. Tenancy Sign Up

Apex ensures accurate household and income information is recorded at sign up stage, and requests supporting evidence to verify the information provided. This is held on the tenancy file.

The Housing Benefit application process often forms part of the sign up procedure. Staff are required to be vigilant in ensuring accurate information is included in this or any other benefit application they provide assistance with. As part of the Housing Benefit verification procedures, Apex staff are authorised to verify photographic I.D. provided by the tenant. The financial and benefit details of all household members are also verified as part of this process.

4. Commencement of Tenancy Visits

Housing Officers are required to undertake Commencement of Tenancy visits with every new tenant 4 – 6 weeks after the commencement of their tenancy. This enables the Housing Officer to ensure that the tenant has moved into the property, check a range of information including household details, etc. and answer any queries the tenant may have in regard to their new tenancy. All details provided at sign up are confirmed at the COT visit and this written record is signed by the tenant and the Housing Officer.

5. Estate Visits

Estate visits are carried out on a quarterly basis by the Housing Officer. These visits include a review of properties to identify any property which appears to be unoccupied, not well maintained etc. Housing Officers use these visits to 'walk' the estate and talk to tenants etc. Housing Officers will also endeavour to make contact with tenants' group representatives/active tenants as part of these visits.

The visit provides a useful means of establishing what is happening on each estate and alerting the Housing Officer to any areas of concern.

6. Anti Social Behaviour Policy

Evidence has indicated that anti social behaviour may be an indicator of tenancy issues and indicate that a property is not being used by the tenant or used for the purpose for which it was provided. Apex implements an Anti Social Behaviour Policy which can provide a further means of detecting tenancy fraud.

7. Tenant Audit

Apex undertakes an annual tenant audit which enables the Association to maintain an up to date record of:

- Tenancy details
- Household details including information on those residing at the property.
- All household income details including all benefits received, etc.

This enables staff to provide an effective housing management service and enables staff to identify any changes or issues of concern in regard to a tenancy.

8. Abandoned Tenancies Policy

Apex has policies and procedures in place to deal with abandoned properties. Where a Housing Officer suspects or receives a report that a property may have been abandoned or is not being occupied, the Housing Officer will implement the Abandoned Tenancies procedure. A detailed checklist is followed to determine whether a tenant has taken up occupancy or is continuing to use the property as their principle home. Apex will take action to repossess a property if there is evidence to suggest that the tenant is not living at the property or using it as their principle home.

9. Common Selection Scheme Disqualification Process

Where a tenant fails to adhere to the terms of their tenancy, under the rules of the Common Selection Scheme, a landlord can disqualify a tenant meeting the criteria for disqualification. The criterion includes a number of elements which constitute tenancy fraud including: abandonment; sub-letting; squatting; making a false statement; providing false information or withholding information.

10. Succession and Assignment Procedures

Apex complies with the Common Selection Scheme guidance in regard to succession and assignment of tenancy. Where requests for succession or assignment are not approved, Apex takes the necessary action to recover the property.

11. Possession Proceedings

Where Apex suspects that a tenant is not complying with the terms of their tenancy and has grounds for seeking possession, action will be taken to recover possession.

12. Liaison with External Organisations

Apex staff have developed working relationships with organisations including the Northern Ireland Housing Executive, Housing Associations, PSNI, Community Safety Wardens, local councils, Environmental Health, community groups, Housing Rights Service and Citizens Advice Bureau, Apex will review these relationships in the coming year and where the development of information sharing protocols would assist in combating tenancy fraud, Apex will endeavour to develop these.

13. Verification Systems

Apex currently uses 192.com system to check information such as electoral roll data, birth, death and marriage records and county court judgements to assist in managing past tenant arrears. Use of the system and the potential to extend the use of data matching services, including participation in the National Fraud Initiative, to assist in detecting tenancy fraud will be investigated during 2014/15.

Additional Measures

In developing its Tenancy Fraud Policy, Strategy and Action Plan, Apex has considered best practice. The Action Plan for 2014-2015 therefore includes a number of additional measures to ensure the Association takes all possible action to prevent, detect and respond to tenancy fraud.

The additional measures that will be implemented in the coming year include:

1. Consultation and Approval

Consultation on the Tenancy Fraud Policy, Strategy and Action Plan will be held with the Community Involvement Forum and Housing Management Committee and approval will be sought from the Committee.

2. Training

Training will be provided to staff and contractors, as appropriate, to raise awareness of tenancy fraud and ensure staff are aware of their obligations and the action to be taken where fraud is suspected or detected.

3. Launch and Publicity

The Strategy will be launched and there will be ongoing publicity including production of a leaflet for distribution to tenants, information on the website and publicity in the Observer newsletter.

The methods for reporting suspected tenancy fraud will be widely publicised on an ongoing basis.

4. Photographic I.D.

All new tenants will be required to provide photographic identification at the commencement of their tenancy and a programme to extend to current tenants will be considered. This will then be used by Apex staff to verify the identity of the tenant on an ongoing basis.

5. Tenant Audit

Apex will update the process for Tenancy Audit, developing a procedure for, and implementing, sampling and home visits to verify information and assist in preventing and detecting tenancy fraud.

6. Information Sharing Protocols

As indicated above, Apex will work to develop information sharing protocols that will assist in detecting and responding to tenancy fraud.

7. Data Matching

Apex will review current use of 192.com during 2014/15 and consider the benefits of extending the use of data matching services to assist in detecting tenancy fraud. Apex will also consider participation in the Tenancy Fraud Initiative.

8. Fraud Register

The Fraud Register will record tenancy fraud cases and report on these as necessary.

9. Monthly Review

Housing Managers will include tenancy fraud as a standard item on their monthly team meetings to raise awareness, and will review all cases arising, to ensure compliance.

10. Report to Housing Management Committee & Audit and Risk Assurance Committee

The Director of Housing and Care Services will report quarterly to the Housing Management Sub Committee on tenancy fraud and the action taken to address it. This report will also be shared with the Audit and Risk Assurance Committee which has responsibility for monitoring the Association's counter fraud activities.

11. Report to Department for Social Development (DSD)

The Director of Personnel and Training will be responsible for including tenancy fraud in the Associations Fraud Report to DSD on a quarterly basis.

Conclusion

In implementing the Tenancy Fraud Policy, Strategy and Action Plan, Apex staff will comply with all appropriate policies and procedures.

Correspondence of 30 May 2014 to Department of Social Development

Public Accounts Committee

Room 371
Parliament Buildings
Ballymiscaw
Belfast
BT4 3XX

Tel: (028) 9052 1208

Fax: (028) 9052 0366

E: pac.committee@niassembly.gov.uk

30 May 2014

Will Haire
Accounting Officer
Department for Social Development

Dear Will,

Request for Additional Information on Tackling Social Housing Tenancy Fraud in Northern Ireland

The Public Accounts Committee (PAC), at its meeting on 28 May 2014, considered the issues arising as a result of the evidence session on 14 May in relation to the inquiry into Tackling Social Housing Tenancy Fraud in Northern Ireland.

Having discussed the issues, the Committee agreed to seek additional information from you and your colleagues prior to producing its report on this inquiry.

The Committee would respectfully request the following information:

- The 2012/13 recovery statistics as per Appendix 2 of the NIAO report, that you had kindly provided in earlier correspondence, presented in the same structure as was included in the NIAO report, i.e. 35 districts and 5 areas;
- If available, could the recovery rates for 2013/14 be provided, again structured as requested above;
- The terms of reference document, summary of outcomes report and PPE report for the 2008 Operation Blitz exercise on the 10,400 homes;
- The NIHE Tenancy Fraud Action Plan (related to the NIHE Tenancy Fraud Strategy);
- A breakdown of how much Housing Benefit fraud there has been over the past five years;
- An update on the repairs request exercise on 2,800 NIHE properties; and
- The Action Plan for the Northern Ireland Tenancy Fraud Forum.

Whilst I appreciate that this request is for an extensive amount of information, I would ask for your response by 13 June.

Yours sincerely,



Michaela Boyle
Chairperson,
Public Accounts Committee

Correspondence of 13 June 2014 from Department of Social Development



From: The Permanent Secretary
Mr Will Haire

Lighthouse Building
1 Cromac Place
Gasworks Business Park
Ormeau Road
BELFAST
BT7 2JB

Telephone: 028 90 829002
Facsimile: 028 90 829560
E-mail: perm.sec@dsdni.gov.uk

Ms Michaela Boyle
Chairperson
Public Accounts Committee
Room 371
Parliament Buildings
BELFAST
BT4 3XX

13 June 2014

Dear Michaela

Thank you for your letter of 30 May 2014 in which you asked for additional information to assist the Committee in preparing its report on "*Tackling Social Housing Tenancy Fraud in Northern Ireland*".

The Committee requested:

1. The 2012/13 recovery statistics as per Appendix 2 of the NIAO Report, presented in the same structure as was included in the NIAO report, i.e. 35 districts and 5 areas. Please see the attachment "*2012-13 Appendix 2*";
2. Recovery rates for 2013/14 to be provided, again structured as requested above. Please see the attachment "*Abandonment Figures 2013/14*";
3. The terms of reference document, summary of outcomes report and PPE report for the 2008 Operation Blitz exercise on the 10,400 homes. The terms of reference document is contained in the PRG Paper attached (please see attachment "*Plan for Operation Blitz Nov 2007*") and our update to the PRG in May 2008 contained the outcomes of the visits to the 10,469 Housing Executive properties (please see attachment "*Blitz Update May 2008*"). These are the only reports that relate to Operation Blitz outcomes;
4. The Housing Executive Tenancy Fraud Action Plan (related to the Housing Executive Tenancy Fraud Strategy). Please see the attachment "*20131001*".

HSGPOL Board Paper Tenancy Fraud Strategy Action Plan Update". This contains the 2013/14 Tenancy Fraud Action Plan. Our 2014/15 Tenancy Fraud Action Plan is being presented to June 2014 Board for approval;

5. A Breakdown of how much Housing Benefit fraud there has been over the past five years – Please see the paragraph below on Housing Benefit Fraud;
6. An update on the repairs request exercise on 2,800 Housing Executive properties – Please see the paragraph below on Tenancy Fraud Audit 2014;
7. The Action Plan for the Northern Ireland Tenancy Forum. See attached Action Plan for the Northern Ireland Tenancy Forum.

Housing Benefit Fraud

With regard to HB Fraud over the last five years our HB Policy Unit have provided two sets of figures below. The first set gives the amount of overpayments raised from proven fraud as investigated by the Single Investigation Service while the second set give the estimates of fraud levels compiled by the Standards Assurance Unit of the SSA. It should be noted that the proven fraud figures are per financial year while the SAU estimates are per calendar year.

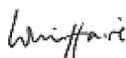
Year	Proven Fraud (£m)	Estimated Fraud (£m)
2013/14	2.4	11.7
2012/13	2.3	9.2
2011/12	2.3	2.8
2010/11	2.1	0.9
2009/10	2.0	4.5

Tenancy Fraud Audit 2014

In April 2014, the NIHE commenced a Tenancy Fraud Audit involving checks on 2845 tenancies which have had no contact with the NIHE in the last 12 months. At the beginning of June, 2660 cases had been closed with no tenancy fraud issues; 11 properties had been recovered and the remainder were still being checked.

Finally, I have also attached a document which you may find useful which sets out the actions in relation to tenancy fraud which have been taken forward in Great Britain in comparison to those taken forward in Northern Ireland

Yours sincerely



WILL HAIRE

NIHE properties recovered in 2012-13					
NIHE Local Office	Housing Stock	Abandonment and Non Occupation Notices Served	Properties recovered	Audit Commission 1% Benchmark	Audit Commission 2% Benchmark
Belfast West	5044	26	9	50	101
Belfast East/South	7333	104	24	73	147
Belfast North	6232	28	4	62	125
Shankill	3493	36	21	35	70
Belfast Area	22102	194	58	220	443
Bangor	2649	12	6	26	53
Newtownards	3850	4	4	39	77
Castlereagh	3731	14	8	37	75
Lisburn Antrim St	4311	11	10	43	86
Dairyfarm	1838	12	0	18	37
Downpatrick	2369	12	1	24	47
South East Region	18748	65	29	187	375
Banbridge	1772	11	7	18	35
Newry	3038	6	5	30	61
Armagh	1910	2	2	19	38
Craigavon (Lurg)	2512	17	8	25	50
Portadown	1594	14	11	16	32
Dungannon	1754	21	12	18	35
Fermanagh	1979	6	4	20	40
South Region	14559	77	49	146	291
Antrim	2359	9	6	24	47
Ballymena	2715	6	0	27	54
N,Abbey1	2151	31	8	22	43
N,Abbey2	2122	13	4	21	42
Carrick	1891	48	18	19	38
Larne	1293	0	0	13	26
Ballycastle	814	1	0	8	16
Ballymoney	1445	18	6	14	29
Coleraine	3041	8	4	30	61
North East Region	17831	134	46	178	356
Waterloo	2174	8	2	22	43
Waterside	2386	27	5	24	48
Collon Tce	2345	6	1	23	47
Limavady	1446	0	0	14	29
Strabane	2157	8	5	22	43
Magherafelt	1283	13	7	13	26
Omagh	1780	2	1	18	36
Cookstown	1023	1	0	10	20
West Region	14594	65	21	146	292
Northern Ireland	87834	535	203	877	1757

NIHE Stock @ March 2014

Abandonment Statistics 2013-14

Office	Abandonment Orders Served	Properties Recovered
Belfast West	8	4
Belfast East	36	11
Shankill	44	12
Belfast South	39	13
Belfast North	26	11
Belfast Area	153	51
Bangor	27	6
Newtownards	10	9
Castlereagh	16	9
Lisburn Antrim St	6	6
Dairyfarm	0	0
Downpatrick	9	7
South East Area	68	37
Banbridge	11	8
Newry	8	8
Armagh	30	13
Craigavon	9	4
Portadown	7	3
Dungannon	11	7
Fermanagh	8	4
South Area	84	47
Antrim	11	8
Ballymena	23	5
N,Abbey 1 & 2	23	9
Carrick	48	8
Larne	13	5
Ballycastle	2	0
Ballymoney	10	3
Coleraine	7	5
North East Area	137	43
Waterloo Place	3	1
Waterside	41	13
Collon Tce	1	0
Limavady	11	4
Magherafelt	9	6
Strabane	11	7
Cookstown	6	4
Omagh	9	4
West Area	91	39
N. Ireland	533	217

**Housing and Regeneration
For Chief Executive's Business Committee
On Friday 16th November 2007**

FOR INFORMATION

Dealing with Non-Residence and Illegal Sub-Letting

Guidance for Visit Programme (Operation Blitz)

1. Introduction

In response to recent publicity and concerns about the risk of non-occupation and illegal subletting in both Executive properties and in cases where Housing Benefit is being paid in the private rented sector, papers have been presented to the Board and the Programme Review Group outlining a plan of action to address these issues. A programme of visits involving all Districts has been drawn up and the details of this plan are given below.

Each District will receive 3 lists of cases as follows:

- Tenanted flats and maisonettes in the public sector
- Private HB claims where payment is made directly to the claimant
- Private HB claims where there is a shortfall between the contractual and eligible rent charge (broken down by amount of shortfall)

The number of cases in each category is provided at Annex 1.

For the public sector cases, Districts will have to decide on a priority order for their visiting programme based on local knowledge and consultation if necessary with local community groups.

In addition to the caselists provided for the private sector, Districts should add in the cases where no response has been made to the recent request for rates charge details. These cases should be given priority in the private sector visiting programme.

Following on from these, priority in visiting should be given to the direct payment cases followed by those with the greatest shortfall.

2. Planning for Programme

It is clear that a significant amount of planning for this visit programme will be required. Each District Manager should draw up a plan showing how the District intend to address this programme and submit this to their Area Manager by the end of December 2007 with a view to begin

the programme in January 2008 and a preferred completion time of six months at most.

At the outset, based on the number of visits required, the District need to assess the staff resources (including Non-HB staff) available to undertake the work and determine how many visits could be undertaken each week and their priority order.

Visits will not be required for cases where the District are already assured of the occupancy / identity details. These can be marked off as completed provided the District Manager gives authorisation.

The District needs to consider the extent, if any, of the involvement of community groups in support of the programme and agree with the groups involved how this will be managed.

If the District Office can, from local knowledge, identify cases which they deem to be of higher risk than those provided in the list they can substitute these for cases on the list. Such changes should be outlined on the District plan submitted to the Area Manager.

As part of the planning process the District will need to consider what administrative procedures should be put in place to ensure that responsibilities are clearly allocated for the various activities that make up the visit programme – the collation of pre-visit information, monitoring of progress of each case, updating of spreadsheets, post-visit checks and decisions to serve Notices or suspend claims (such decisions should be taken at Level 5 or above).

3. Pre-Visit Activity

Prior to any visit the District should check any available tenancy / HB details to ascertain current occupancy details and note such things as the date of birth and NINOs of legitimate occupants and any existing evidence of identity held. For HB claims, the date of the last reported change from the claimant should be noted.

4. Undertaking Visits

At the visit, staff should identify themselves, explain that the visit is being undertaken as part of a major programme to confirm the residency and identity of occupants of Executive and private HB dwellings and then check for signs of occupancy in the dwelling and the identity of the occupant. Where the occupant is in receipt of HB (in either the public or private sector) they should be asked to sign a declaration that there has been no unreported change in their circumstances since they last informed the District. (Use form at Annex 3). This same form can be used to record the identity and occupancy check so that a record of each visit is maintained.

5. No – Access Cases and Post-Visit Activities

For the visit programme Districts should carry out one unannounced visit. If access is not gained to the dwelling, a letter should be left (see Annex 2 for sample text) advising the occupant that they should contact the office within 14 days.

The Central Housing Community Network has agreed that local groups will be willing to help with the process of identifying cases of non-residence. (Districts should confirm the level of participation of their own groups at the outset of this exercise) Therefore, if there is no response to the letter left at a dwelling after five days, a participating group could be asked if they have any information regarding the dwelling.

If there is no response after the 14 day period has expired, Districts need to consider the option of serving an Abandonment Notice and/or suspending the HB claim. To assist in making this decision, Districts could undertake a check with NIE on electricity usage, a CIS check on benefit recipients, request a check on the Experian credit reference system from Area Fraud officers or other action as deemed necessary including any report from the community group.

It is not intended to refer any cases involved in this exercise to Benefit Investigation Service unless exceptional circumstances relating to more than each individual case apply. Suspect cases should therefore be dealt with in-house.

If an occupant contacts the office to arrange a call any time after the address has been referred to the community group, the District should inform the group accordingly.

Progress on the completion of the activities on each case should be marked up on the spreadsheet provided to each District which should include the name of the person to whom the visit has been allocated, the date of the visit and any subsequent action taken.

6. Reporting Progress

A report will be sought monthly from each District on the progress and outcomes arising from this programme. The form at Annex 4 should be used for this purpose however it is possible that in some cases, copies of the updated spreadsheets supplied for this exercise will be requested.

Pat Durkin
HB Policy Unit

Annex 1

RAD	Public	Cheque	Shortfall>£10	Total		
201		252	771	1023		
202		238	347	585		
203		283	690	973		
204		243	278	521	Private HB Unit	
301	646			646	Total	3102
302	963			963		
303	196			196		
307	960			960		
314	1199			1199		
315	484			484		
316	212			212	Public HB Unit	
401	462	380	234	1076	Total	4660
402	715	303	163	1181		
404	1594	160	114	1868		
406	1230	173	158	1561		
409	328	32	89	449		
410	409	296	393	1098		
501	237	163	370	770		
502	369	496	1029	1894		
505	298	185	430	913		
507	473	254	724	1451		
508	287	155	341	783		
511	170	321	491	982		
512	135	325	318	778		
601	666	312	314	1292		
603	534	130	213	877		
605	1053	116	168	1337		
606	586	176	181	943		
607	566	106	166	838		
608	513	101	246	860		
609	20	109	160	289		
610	134	125	217	476		
611	513	325	412	1250		
701	619	152	747	1518		
702	284	168	876	1328		
703	402	134	475	1011		
705	170	134	358	662		
707	110	246	224	580		
708	73	168	627	868		
709	239	219	699	1157		
710	135	221	260	616		
Totals	17984	7201	13283	38468		

Annex 2

Text for No-Access Letter

The following text should be used for the letter to be left where access is not gained on the initial visit. Each District should add their own name address and contact details.

To the Occupant

I called today (date) at (time) to carry out a residency / Housing Benefit check as part of a programme recently introduced by the Housing Executive but you were not at home.

I would ask you to contact my office as soon as possible to arrange a further visit.

If you do not contact us within 14 days we may have to take alternative measures to ensure that all tenancy conditions / Housing Benefit regulations are being met. I would therefore ask you to give this matter your urgent attention.

Yours faithfully

Annex 3

<u>RESIDENCY /HB VISIT REPORT FORM</u>	
Name:	
Address:	
Visit Date	
	Agrees with File? Y /N
Proof of Identity Provided (Documentation)	
Date of Birth Provided	
NINo. Provided	
Occupancy OK Y/N	
Comments	
Declaration	
I confirm that I am occupying the above address as my main residence and that the information I have provided regarding my identity is correct.	
Signature: _____	
Date: _____	

FOR HOUSING BENEFIT CLAIMS

There have been no changes in my circumstances since I last contacted the Housing Executive on _____. I understand that if I give information that is incorrect or incomplete or fail to report any changes which might affect my benefit, action may be taken against me.

Claimant's Signature:

Date:

Interviewer's Signature:

Date:

CHANGE IN CIRCUMSTANCES:

I wish to report the following change(s) in my circumstances:

I understand that if I give information that is incorrect or incomplete or fail to report any changes which might affect my benefit, action may be taken against me

Claimant's Signature:

Date:

Interviewer's Signature:

Date:

Evidence of new circumstances:

Annex 4

Monthly Report Form

<u>Month</u>	Total Visits Required	Total Visits Completed	Cases with No Change	Abandonment Notices		Housing Benefit						
				Served	Tenancy Recovered	Claim Suspended	Claim Terminated	Overpayment Raised	No.	Amount		
NIHE Flats												
Private Rates Cases												
Private Cheque Cases												
Private Shortfall Cases												
Other (Specify)												

**Housing and Regeneration
Performance Review Group Meeting
On Friday 16th May 2008**

FOR INFORMATION

OPERATION BLITZ UPDATE

1.0 Introduction

- 1.1 Operation Blitz was established to address a perceived risk of non-occupation of both Executive properties and private-rented accommodation where HB was in payment. The visit programme established under Operation Blitz has been running since January 2008.
- 1.2 This paper provides an update on the results achieved after the first three months of the programme.

2.0 Targeted Properties

- 2.1 The visit programme was aimed at certain categories of property where it was believed that the risk of non-occupation was highest. These were:
- NIHE flats and maisonettes
 - Private HB cases where HB payments went directly to the claimant
 - Private HB cases where there was a shortfall between the rent charged by the landlord (the contractual rent) and the rent used in the HB assessment (the eligible rent)
 - Private HB cases where the claimants had not responded to queries regarding rates charges
- 2.2 In total just under 38,500 properties were identified for checking under the programme. Districts were allowed the discretion to exclude from visiting those claims where they were already satisfied that there was no risk of non-occupation.

3.0 Results to Date

- 3.1 These results cover the period from 1st January to 31st March 2008.
- 3.2 Table 1 shows the number of properties checked in each of the categories concerned. This shows that just under 50% of the total number of required checks have been completed.

Table 1

NIHE Flats & Maisonettes	10,469
Private sector direct payment cases	3,763
Private sector shortfall cases	3,765
Private Sector rates cases	781
Total	18,778

- 3.3 Table 2 shows the results achieved across the four categories.

Table 2

	NIHE	Private Direct Payment	Private Rent Shortfall	Private Rates	Total
Total Completed	10,469	3763	3765	781	18,778
Abandonments Served	62	-	-	-	62
Properties Recovered	16	-	-	-	16
HB Suspended	41	35	33	49	158
HB Terminated	14	69	7	25	115
HB Overpayments	4	20	6	1	31
Overpayment Amount	1852.98	10,247.27	1,511.04	963.00	14,574.29

3.4 Table 3 shows the results per Area

Table 3

	Belfast	South East	South	North East	West	Total
Total Completed	4052	3676	4413	3293	3344	18778
Abandonments Served	2	24	10	19	7	62
Properties Recovered	0	9	3	3	1	16
HB Suspended	18	4	55	72	9	158
HB Terminated	39	39	10	14	13	115
HB Overpayments	13	5	10	3	0	31
Overpayment Amount	5752.63	1237.57	6098.48	1485.61	0	14574.29

4.0 Issues Arising

- 4.1 At the beginning of the operation, Districts were asked to plan for its completion within six months and, initially, this appeared to be achievable. However given the impact of recent staffing changes, Districts have been advised that, while completion is still required, no set time limit for doing so is being imposed.
- 4.2 The relatively low number and amounts of HB overpayments arising from the exercise reflect the fact that it is not generally possible to identify the actual date that non-occupation started so claims are terminated from the date of detection only.
- 4.3 The “hit rate” for sanctions (i.e. properties recovered and HB claims terminated) is 0.69%. Even when the “suspect” cases (Abandonment Notices served and HB suspended) are added this gives a rate of only 1.87%. This would point to the need to find a more effective method of identifying

possible cases of non-occupation. To this end, the Executive is still pressing for the introduction of datamatching records with the Electricity Service.

5.0 Conclusion

- 5.1 Pending the development of an alternative approach, some thought needs to be given to the value of continuing Operation Blitz in its existing form. The paucity of the results however would need to be considered against the apparent level of support for the operation among communities and their representatives.

6.0 Recommendation

- 6.1 Managers are asked to note the content of this paper.

Housing Executive

Meeting:	Board Meeting	Date:	30/10/2013	Paper Classification:	Not Protectively Marked
Paper Status:	For Information	Division:	Housing and Regeneration		
Title of Paper:	Tenancy Fraud: NIAO Report		Author:	Sarah McAdorey	
Purpose of Paper:			Strategy Area:	Tenancy Fraud	
<p>The purpose of the paper is to advise the Board of the recent NIAO Audit Report on Tenancy Fraud and of ongoing work in this regard</p>			Risk Assessment:		
			Risk assessment completed?	Yes	
			Risk score and register location	9 : H&R Divisional Risk Register	
			Equality Screening:		
			Equality screening complete?	N/A	
Context of Paper:			Quality Impact Assessment required:	N/A	
<p>Good Governance National Fraud Initiative NIAO Tackling Social Housing Tenancy Fraud in Northern Ireland Report</p>			Date complete:		
			Rural areas/ issues involved?	Yes	
			Rural proofing required?	N/A	
			Date complete		
Recommendation:			Expenditure to be approved:	N/A	
<p>That the Board note the recommendations of the NIAO report and related information in relation to the Tenancy Fraud/Misuse Action Plan</p>			Compliance issues: (eg Health & Safety, environmental impacts, TSN, Human Rights, building form, age sensitive, FOI, other issues?)		
			N/A		
			Names of individuals consulted internally/ externally:		
Approved by:	Director of Housing and Regeneration		Approved by:		
Date:			Date:		

Introduction

1. The Northern Ireland Audit Office (NIAO) Report "Tackling Social Housing Fraud in Northern Ireland" was published on 24th September 2013.
2. This paper gives an outline of the content of the report and its recommendations. It also refers to the Housing Executive's Tenancy Fraud/Misuse Action Plan which is being rolled out during 2013/14.

NIAO Report: Overview

3. This report follows a short NIAO study on tenancy fraud taking account of the roles of the Department, the Housing Executive and housing associations.
4. The report initially gives an insight into what tenancy misuse is by giving guidance as to when it occurs and makes reference to applying best practice as identified in its case examples from England. Tenancy misuse or fraud may occur in any of the following circumstances:
 - a) If a tenant is not using the property as their sole or principal home;
 - b) If a tenant is attempting to obtain a property using false statements or false documents;
 - c) If unauthorised sub-letting or Key Selling is occurring.
5. The report gives an overview of what is currently happening in England concerning Tenancy Fraud and highlights that that *"initial assessments of the extent of tenancy fraud in England, by the Audit Commission, conservatively estimated that 2.5% of housing stock in London and 1% of stock outside of London was subject to Tenancy Fraud."*
6. The report therefore applies a 2% pro rata estimate to Northern Ireland social housing stock and suggests that *"as many as 2,400 properties in the social housing stock could be occupied fraudulently"*.
7. It also advises that the Housing Executive and local Housing Associations recovered over 360 properties in 2011-12; of these recovered properties 245 were NIHE stock.

NIAO Report Recommendations

8. The NIAO Report sets out five recommendations for dealing with Tenancy Fraud as set out below.
9. *Recommendation 1 – The Department should formally recognize the importance of actively tackling tenancy fraud in both the Housing Association Guide and NIHE's Financial Memorandum and should require NIHE and Housing Associations to produce dedicated tenancy fraud strategies.*

At its April meeting, the Board approved a draft Tenancy Misuse/Fraud Strategy (TFS) which has been designed to allow staff to effectively prevent, detect and

tackle tenancy misuse and fraud. These measures combine current procedures and other good practice examples which were developed through discussion with the Housing and Regeneration Performance Review Group and the Central Housing Community Network. From this strategy, an Action Plan (see Appendix A) has been developed which is being rolled out during this financial year.

10. *Recommendation 2 – Tenancy Fraud Strategies should draw on best practice established in England*

Our Tenancy Misuse/Fraud Action Plan clearly sets out measures such as:

- a) Photographing tenants
- b) Unannounced tenancy visits
- c) Introduction of a Tenancy Fraud/Misuse Register

Two members of the National Tenancy Fraud Forum have been invited are presenting to the H&R Senior Management meeting on 24th October 2013. They will be providing an overview on tackling tenancy fraud and highlighting a number of case studies from their experience working with housing associations in the rest of the UK. The senior management meeting is attended by Assistant Directors, Regional Managers, Area Managers, Housing Policy and Housing Benefit Policy Senior Principal Officers. This will also provide an opportunity to determine if other practice may be appropriate to incorporate into the Housing Executive TFS.

11. *Recommendation 3 – Consideration be given by the Department to establishing a single tenancy fraud team to provide investigative services to both sectors...there may be merit in expanding the remit of the Social Security Agency's Benefit Investigative Service.*

A meeting will be sought with the Department of Social Development (DSD) to discuss this and other recommendations in the Audit Office Report.

12. *Recommendation 4 – NIHE should compile more comprehensive statistics and report them regularly to the Department*

The TFS includes the development of a Tenancy Fraud/Misuse Register to be used by all local offices to record reports of potential tenancy misuse/fraud and the investigations carried out.

13. *Recommendation 5 – The Department, NIHE and local Housing Associations should be represented at the Tenancy Fraud Forum.*

This will be discussed during the forthcoming visit by members of the Tenancy Fraud Forum.

Tenancy Fraud Action Plan

14. Details of the NIHE Action Plan are set out at Appendix 1. As advised earlier, this may be added to following discussions with National Tenancy Fraud forum

members and the Department; a training/awareness programme is also being prepared for local office staff.

15. Records for the year to date show that that Abandonment and Non Occupation Notices have been served on 161 Housing Executive properties with 59 properties recovered.

Recommendation

16. That the Board notes the recommendations of the NIAO report and related information in relation to the Tenancy Fraud/Misuse Action Plan

Appendix 1

NIHE Tenancy Fraud/Misuse Action Plan				
1.0 New and Potential Tenancies				
Item	Key Task	Timescale	Lead	Progress
1.1	Ensuring photographic ID for new and potential tenants is recorded on file.	Implementation April 2014 – this could be earlier subject to HMS prioritization.	H&R	<p>Current procedure - all applicants applying for housing have to supply proof of identity (either by valid photographic ID or two other types of ID).</p> <p>All new tenants to be photographed at sign up stage.</p> <p>New HMS Customer Dashboard has the facility to record photographs on its system. The timescale for introduction of this facility is currently under consideration with IT.</p>
1.2	Unannounced visits in first year of tenancy	Commencing April 2014	H&R	<p>Proposals outlined to visit all new tenants in the first year of tenancy, unannounced in order to confirm that the tenant is actually occupying the property. Tenancy visits are underway in South Region arising from the Sustainable Tenancy pilot.</p> <p>Protocols and process currently under development.</p>
NIHE Tenancy Fraud/Misuse Action Plan				
Item	Key Task	Timescale	Lead	Progress
1.3	Agreement of data sharing arrangements	In place	H&R / Legal/ Information	Data sharing agreements in relation to applicants/potential

				new tenants have been agreed with other social housing providers through Information Sharing Protocol Agreement
2.0 Existing Tenants				
Item	Key Task	Timescale	Lead	Progress
2.1	Review and develop process for reporting fraud through Customer Service Units.	Ongoing	H&R	Discussions ongoing with CSU Managers to confirm how current procedures are working and to determine how to improve process of collating fraud reports.
2.2	Develop new data sharing arrangements with Utility Providers.	TBC	Counter Fraud & Security	Initial meeting 8 th October 2014 to discuss requirements
2.3	Welfare Reform Telephone Contact Centre to contact approximately 27,300 tenants.	Dependant on implementation date & content of Welfare Reform	H&R	Policy and procedures are being developed for Contact Centre Advisors to report cases of suspected fraud to the relevant local offices for further investigation. All tenants will be asked NINO and DOB for verification purposes.
NIHE Tenancy Fraud/Misuse Action Plan				
Item	Key Task	Timescale	Lead	Progress
2.4	Development of a Tenancy Fraud/Misuse Register	Pre-Implementation	H&R	Tenancy Fraud Working Group to be convened for discussions on content of Register.
3.0 Legal Action				
Item	Key Task	Timescale	Lead	Progress
3.1	Examine use of Experian Citizenview	Ongoing	Legal Services/	Currently with Legal Services for

	checks for suspected cases of Tenancy Fraud in conjunction with National Fraud Initiative (NFI)		H&R	investigation. N.b. Tenancy Fraud at present in NI is not a crime.
4.0 General Publicity				
4.1	Roll out general publicity through a dedicated Tenancy Fraud/Misuse page on NIHE Website/social media/ Housing News/ leaflets/ posters etc.	Pre-Implementation	Information/H&R	To be undertaken following a review of processes and staff training.
4.2	Liaise with Housing Community Networks/Tenant Groups	Ongoing	H&R	To be undertaken following a review of processes and staff training.
4.3	Highlight penalties through local media i.e. prosecutions, loss of tenancy etc)	Ongoing	H&R/ Information	Discussions ongoing with Legal Services & Information

Action plan for Northern Ireland Tenancy Forum

The Northern Ireland Tenancy Fraud Forum comprises of Departmental, Housing Executive and Housing Association representatives and was established in November 2013. The NIHE have also signed up to the National Tenancy Fraud Forum. This operates primarily through an online forum for the exchange of best practice of housing providers across the UK with regional fora set up to progress actions locally. Representatives from the Tenancy Fraud Forum have been engaged to deliver training for NIHE and Housing Association staff in October 2013 and again in March 2014.

The Northern Ireland Tenancy Fraud Forum meets quarterly and is facilitated by DSD. The Main role of the Forum is to oversee the implementation of all recommendations from the NIAO Report including dissemination of good practice. The following key areas are currently being addressed :-

- Implementation of best practice from across GB including tenancy hotline, Data matching to detect tenancy fraud, credit data matching etc
- Establishment of a dedicated Tenancy Fraud Team within the NIHE which will also provide this service for the Housing Associations.
- Establish links with SSA on whether there could be a possibility of sharing surveillance and financial investigation resources,
- Data sharing and Statistics - data sharing central point in NIHE and establishing protocols for sharing information with utilities. The establishment of a Tenancy Fraud Register in order to gather data to enable analysis of trends etc.
- Legislation- To explore legislation requirements and timescales with the DSO on the best way forward

- Inclusion in the MSFM and Housing Association Guide the need for the Housing Executive and the Housing Associations to produce dedicated tenancy fraud strategies.
- Photographic ID – Lines and Timelines for the introduction of taking photographs of all new tenants and technology to support this,
- Raising awareness of tenancy fraud with the general public.

Actions taken forward in GB from the NIAO Report Tackling Social Housing Tenancy Fraud in Northern Ireland compared with Actions taken forward in Northern Ireland

<u>Actions taken forward in GB</u>	<u>Actions taken forward in Northern Ireland</u>
Guidance issued on effective ways of preventing, detecting and tackling tenancy fraud. £4 m made available to LAs to fund anti fraud activities with an additional £9.5m of funding made available more recently (para 13).	NIHE are currently working on a Business Case in order to fund a dedicated Tenancy Fraud Unit and this Unit would service the Housing Executive NIHE and Housing Associations alike. The full extent of the cost will not be available until the costing exercise is complete.
Setting up of the “Making Best Use of stock Team” (MBUS) and guidance to help LAs and Housing Associations to deal with Welfare Reform regarding under occupation and Tenancy Fraud.(para 14)	The Welfare Reform under occupation legislation has not been introduced in Northern Ireland however at the last meeting of the Tenancy Fraud Forum on 9 June 2014 it was agreed that there was a need for standards and guidance and baseline information to be made available for staff in the Dedicated Tenancy Fraud Unit.
Establishment of the Tenancy Fraud Forum (para14)	There is currently a Tenancy Fraud Forum in place in Northern Ireland which meets on a quarterly basis. Members include representation from NIHE, DSD and NIFHA. NIHE is also on the National online Tenancy Forum.
Housing staff provided with basic awareness training covering indicators of fraud and how to report suspicions.(para16)	Representatives from the National Tenancy Forum provided fraud awareness training to front line staff in NIHE and Housing Associations in October 2013 and again in March 2014. Further more specific training will need to be provided once the Unit has been set up and needs are identified.
Raising awareness of general public e.g. Resident newsletters, targeted mail shots, tenant mail shot, s tenants handbooks, working with local media, publishing successful recovery actions . (para 17-18)	Activities to publicise facilities on reporting mechanisms include website, Housing News leaflets, posters.
Dedicated hotline set up (figure 5 example 1)	Reporting Tenancy Fraud in Northern Ireland currently can be done via online, by telephone at local offices, by letter and by e mail.

<p>Landlords in England take digital photographs of new tenants at tenancy sign up. These are linked to tenancy agreements etc.</p>	<p>In the Housing Executive all new tenants have their photograph taken at sign up stage.</p>
<p>LA's in England undertake periodic tenancy audits on a rolling basis based on evidence from data matching exercises etc. Another large HA in London introduced Targeted Tenancy Audits. This included settling in visits at 6 weeks, blitz operations, enhanced succession and assignment checks. (figure 5 example 3)</p>	<p>The Housing Executive has commenced a Tenancy Audit Programme involving checks on 2,800 tenancies where there has been no contact in the last 12 months.</p>
<p>Deployment of dedicated tenancy fraud staff (some specialist fraud investigators) using potential information sources including annual gas /oil boiler health and safety inspection, utilities companies, local council refuse collection and postmen, local community groups and local representatives, social media sites data matching information already held in Council, Local Education Authority, other social landlords, register of deaths and marriages and the electoral register. (figure 5 example 4)</p>	<p>Currently the Housing Executive is working on a Business Case for obtaining the resourcing for a dedicated Tenancy Fraud Team. The Housing Executive has set up a forum to meet quarterly with NIE from April 2014 and various electricity providers.</p>
<p>Use of Credit Reference Agencies to compare information against financial information such as mortgages, loans, credit card applications and mobile phone contracts to confirm who is living in the property (Para 27).</p>	<p>The Housing Executive has gained access to credit referencing via it Housing Benefit Department.</p>
<p>Data matching to detect tenancy fraud is used to identify where a tenant is used to identify where a tenant is registered at one address but is claiming benefit from another.</p>	<p>The Data matching is currently being undertaken via the Housing Benefit Department.</p>
<p>Increased legislative powers by the Prevention of Social housing Fraud Act 2013 which strengthened powers for local authorities to prosecute and increased investigative powers. (para 29-30)</p>	<p>Currently advice is being sought from the DSO and the Department's Housing Policy and Legislation Branch on what is the best way forward in Northern Ireland.</p>



Northern Ireland
Assembly

Appendix 4

List of Witnesses who gave Oral Evidence to the Committee

List of Witnesses who gave Oral Evidence to the Committee

1. Mr Will Haire, Accounting Officer, Department for Social Development;
2. Mr Jim Wilkinson, Director of Housing, Department for Social Development;
3. Ms Mags Lightbody, Acting Chief Executive, Northern Ireland Housing Executive;
4. Mr Gerry Flynn, Director of Landlord Services, Northern Ireland Housing Executive;
5. Mr Cameron Watt, Chief Executive, Northern Ireland Federation of Housing Associations;
6. Mr Kieran Donnelly, Comptroller and Auditor General (C&AG), Northern Ireland Audit Office; and
7. Mr John McKibbin, Acting Treasury Officer of Accounts, Department of Finance and Personnel.



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