

# Cheltenham Borough Council

## Cabinet

11 June 2024

## Housing and Tenancy Fraud Policy

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### Accountable member:

Councillor Flo Clucas, Cabinet Member for Housing and Customer Services

### Accountable officer:

Claire Hughes, Director of Governance and Customer Service

### Ward(s) affected:

All indirectly

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**Key Decision:** No

### Executive summary:

To present Cabinet with a Housing and Tenancy Fraud Policy for approval.

The Policy has been drafted to ensure the content reflects current legislation and the Council's Policies and Procedures. The Policy is being introduced following the decision to bring housing back to Cheltenham Borough Council.

### Recommendations:

#### That Cabinet:

1. **Adopts the Housing and Tenancy Fraud Policy.**
  2. **Delegates to the Corporate Director and Monitoring Officer to approve future minor amendments to the Policy in consultation with the Head of Service Counter Fraud and Enforcement Unit and One Legal.**
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## 1. Implications

### 1.1. Financial, Property and Asset implications

The Policy provides Officers with a framework that can be followed when dealing with matters arising from cases of fraud and error. This allows for financial penalties, such as unlawful profit orders, to be charged however, the intention of the Policy is not primarily for revenue raising purposes but to ensure the proper use and protection of social housing.

**Signed off by:** Gemma Bell, Director of Finance and Assets (Deputy S151 Officer),  
[Gemma.Bell@cheltenham.gov.uk](mailto:Gemma.Bell@cheltenham.gov.uk)

### 1.2. Legal implications

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

The legislation utilised by the Counter Fraud and Enforcement Unit and other service areas within the Council is identified within the Policy and the Council must comply with all legislative requirements.

**Signed off by:** One Legal, [legalservices@onelegal.org](mailto:legalservices@onelegal.org)

### 1.3. Environmental and climate change implications

Not applicable.

### 1.4. Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

### 1.5. Equality, Diversity and Inclusion Implications

The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

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## 2. Background

2.1. The Counter Fraud and Enforcement Unit (CFEU) has responsibility for assisting the Council to tackle housing and tenancy fraud and is therefore introducing an overarching Policy to support this activity.

In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.

### 3. Reasons for recommendations

- 3.1. Housing and tenancy fraud remains one of the most significant areas of fraud and abuse within the public sector. This takes many forms, but the two most significant areas are Right to Buy and Illegal Subletting.
- 3.2. The CFEU continues to work with Social Housing Providers and the Tenancy Fraud Forum to tackle this effectively.
- 3.3. The Counter Fraud and Enforcement Officers are authorised under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014. This means they are authorised to obtain information relating to an individual from organisations such as financial institutions (banks, credit card companies), utility companies, communications providers and so on. The Act also created new offences in relation to housing fraud that can be prosecuted by Local Authorities acting on behalf of Social Landlords.
- 3.4. As a rough guide, the Fraud Advisory Panel, Charity Commission, Tenancy Fraud Forum and others have produced a new method using a standard formula to arrive at an average national cost to the taxpayer per detected tenancy fraud of £42,000. The formula considers:
  - The annual average temporary accommodation cost per family for individual Councils (£12,100) multiplied by 3 being the typical duration of for one of these frauds = £36,300;
  - Add the average investigation costs (£1,300), average legal costs (£1,000) and the average void costs (£3,140);
  - = £41,740 approximated to £42,000.
- 3.5. In relation to Housing Waiting List Misrepresentation, the National Fraud Initiative apply a conservative estimate of £4,283 per case for future losses prevented as a result of removing an applicant from council housing waiting list.
- 3.6. To support work activity, the CFEU have drafted a Housing and Tenancy Fraud Policy. This is attached at **Appendix ii**.
- 3.7. The Policy seeks to provide information relating to the different areas of tenancy fraud, how the Council will approach this and sets out the approach to prosecution.
- 3.8. Awareness will be raised with all staff following the approval of the Policy.

### 4. Alternative options considered

- 4.1. None.

### 5. Consultation and feedback

- 5.1. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and have been issued to the relevant Senior Officers, Governance Group and Executive Leadership Team for comment as appropriate.

### 6. Key risks

- 6.1. The Council is required to proactively tackle fraudulent activity in relation to the abuse of public

funds and social housing.

- 6.2. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.
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**Report author:**

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**Appendices:**

- i. Risk Assessment
- ii. Housing and Tenancy Fraud Policy

**Background information:**

N/A.

## Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	The authority suffers material loss and reputational damage due to fraud	Executive Director Finance, Assets & Regeneration	3	3	9	Reduce	Maintain a Counter Fraud Team to reduce the likelihood of the risk materialising and also to help recover losses, thus reducing the impact.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing
2	Without dedicated specialist staff in place, the Council may be unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud and error	Executive Director Finance, Assets & Regeneration	3	4	12	Reduce	Retain a specialist Counter Fraud Team to tackle the misuse of public funds on behalf of the Council.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing