

Cheltenham Borough Council

Cabinet Housing Committee – 1 April 2026

Counter Fraud and Enforcement Unit Report

Accountable member:

Cllr Flo Clucas, Cabinet Member for Housing and Customer Services

Accountable officer:

Claire Hughes, Director of Governance, Housing and Communities

Ward(s) affected:

All indirectly

Key Decision: No

Executive summary:

The purpose of the report is to provide the Cabinet Housing Committee with assurance over the counter fraud activities of the Council in relation to the retained stock and housing and tenancy fraud.

A summary of the work undertaken is presented detailing work streams and results for consideration and comment as the body charged with governance in this area.

Recommendations:

That the Cabinet Housing Committee:

Considers the report and comments accordingly.

1. Implications

1.1. Financial, Property and Asset implications

The report details financial savings generated by the Counter Fraud and Enforcement Unit. Activities in this area allow for financial penalties, such as unlawful profit orders, to be charged however, the intention is not that of revenue raising purposes but to ensure the proper use and

protection of social housing.

Signed off by:

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.

Signed off by:

1.3. **Environmental and climate change implications**

There are no significant implications within this category.

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 promotion of effective counter fraud controls and a zero-tolerance approach to internal misconduct promotes a positive work environment.

The Counter Fraud and Enforcement Unit 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.

Enforcement action may not be appropriate in relation to older offenders or in cases where the offender has a disability particularly where an offender lacks mental capacity. Where an offender lacks mental capacity or has a relevant disability, adjustments will be made to support the individual through the process and enforcement action will not be taken where it is not appropriate to do so.

Where necessary, individuals may request documentation or explanation that would assist them to understand/read information related to the enforcement activity being undertaken. Interpreters and translation of documents are provided where necessary.

2. Background

- 2.1. 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.
- 2.2. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.

- 2.3. Housing and tenancy fraud remains one of the top four areas of fraud and abuse within the public sector and by value, is one of the highest financial impact areas reported by Councils. This takes many forms, but the two most significant areas are Right to Buy and Illegal Subletting.
- 2.4. The Counter Fraud and Enforcement Unit (CFEU) has responsibility for assisting the Council to tackle housing and tenancy fraud. The overall remit is to prevent, detect and deter abuse of public funds and social housing. The CFEU continues to work with Social Housing Providers and the Tenancy Fraud Forum to tackle this effectively.

3. Reasons for recommendations

- 3.1. The CFEU works with Housing Officers to provide intelligence and investigate abandoned or illegally sub-let property, general tenancy fraud allegations and any suspicious applications for social housing.
- 3.2. The Counter Fraud 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.
- 3.3. 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.

3.4. Summary of Work 2024/25

- 3.5. The team received 40 investigation referrals as detailed below:
 - Abandonment / Non residency – 7
 - Illegal Succession – 0
 - Subletting – 8
 - False Housing / Homelessness Applications – 3
 - Right to Buy Fraud – 2
 - Other Housing / Tenancy Related Anomalies to include housing checks requiring additional work / referrals pending triage – 17
 - Internal matters such as debtor tracing – 3
- 3.6. 23 cases were closed / referrals declined during the period and, as of 1 April 2025, there were 46 active cases under investigation.
- 3.7. The team received 472 requests to verify information provided in respect of:

- Housing Applications / Allocations – 128
 - Homeless Applications – 243
 - Right to Buy Applications – 87
 - Succession Claims – 4
 - Other – 10
- 3.8. Checks are made against Revenues and Benefits systems, and other data to ensure that applications are correct and to confirm eligibility. The team feedback any information obtained that may indicate an issue for the Housing Officer to make an informed decision whether to accept or refuse the application/claim. This provides the Council with assurance that they are allocating properties correctly and preventing fraud and abuse from entering their systems.
- 3.9. Where verification activities identify suspicious activity, the matter is opened as an active case and is referred to the Investigation and Enforcement Team. During 2024/25, 2 cases were opened because of the verification work.
- 3.10. **Summary of Work 2025/26 (to 31 December 2025)**
- 3.11. The team received 20 investigation referrals as detailed below:
- Abandonment / Non residency – 5
 - Illegal Succession – 0
 - Subletting – 2
 - False Housing / Homelessness Applications – 1
 - Right to Buy Fraud – 0
 - Other Housing / Tenancy Related Anomalies to include housing checks requiring additional work / referrals pending triage – 12
 - Internal matters such as debtor tracing – 0
- 3.12. 22 cases were closed / referrals declined during the period and, as of 1 January 2026, there were 5 active cases under investigation.
- 3.13. The team received 306 requests to verify information provided in respect of:
- Housing Applications / Allocations – 116
 - Homeless Applications – 178
 - Right to Buy Applications – 6
 - Succession Claims – 1
 - Other – 5
- 3.14. 4 properties were recovered with a loss avoidance figure of £168,000. 3 properties had been abandoned and 1 had been sublet.
- 3.15. The Council participates in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.

- 3.16. In February 2025, 266 matches were received relating to housing anomalies. All matches have been reviewed and recommendations made to the housing teams, results are pending.
- 3.17. A review of the Housing Waiting list has been completed. This includes verification of applications within Emergency Band (52 applications), Gold Band (78 applications) and Silver Band (592 applications). This resulted in 319 recommendations being referred to the Housing Team and the removal of 44 applications. This represents a figure of £188,452 in loss avoidance. In addition, 19 applications were downgraded.
- 3.18. Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.
- 3.19. There are approximately 16,191 active household applications on the register for Gloucestershire at this time, 1,811 of those relate to the Council. The CFEU undertakes reviews of the Emergency, Gold and Silver Band Lists for Cheltenham Borough, Cotswold District, Forest of Dean District, Stroud District and Tewkesbury Borough Councils. This consistent approach provides assurance that both locally and across the County we are maximising savings in this area and ensuring priority applicants are dealt with expediently
- 3.20. The CFEU Officer receives the list of applications within the individual bands, the review of the Emergency and Gold Banded applications is undertaken as a priority. The task of the reviewing officer is to establish the veracity of the reason for the application, for example overcrowding, homelessness, significant medical need or downsizing. Checks relating to occupancy and residential status / history are made and any discrepancies are forwarded to the Housing Team for review.
- 3.21. The Data Sharing agreement between the Housing Team and the Revenues and Benefits team for this exercise was reviewed this year. Additional assurance was requested in relation to data sharing which has led to a temporary suspension of this workstream across the CFEU partnership. This is close to reaching a resolution.
- 3.22. The CFEU has created a Housing Enforcement Group which meets quarterly with representatives from across the Housing Service. The CFEU has provided Housing and Tenancy Fraud awareness sessions to staff within the Empty Homes Team, Income Team, Leasehold/Right to Buy Team, Benefit and Money Advice Team and Tenancy Management Team. Further sessions are planned with the Housing Options Team and ASB Team, who will also receive training regarding the Regulation of Investigatory Powers Act Legislation.
- 3.23. The Group will be working together to review the approach to enforcement from awareness and referral routes to appropriate legal action.
- 3.24. For 2026/27 the CFEU will be working to promote general and service area fraud awareness across all its partner Councils for Members, managers, staff and residents. There will be bespoke housing and tenancy fraud awareness training as a refresher for existing staff and any new starters as part of an induction process.

- 3.25. Additionally, a workstream is underway to enable staff within the CBCHS teams to carry out more verification checks directly with appropriate staff with training in checking other Council systems and understanding how to use other data sources such as credit reference agency checks to obtain information and intelligence. Empowering staff to undertake their own checks will assist the CFEU to free up resource to focus on more complex investigations. CFEU staff will continue to undertake checks in relation to high-risk/high loss areas such as Right to Buy and any more in-depth investigations, as well as the proactive fraud prevention work such as NFI and the review of the housing waiting lists.

4. Alternative options considered

- 4.1. None.

5. Consultation and feedback

- 5.1. Work activities are agreed and reviewed regularly with the Interim Director of Finance and Operations (s.151 Officer), and the Director of Governance, Housing and Communities.
- 5.2. 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.

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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Appendices:

- i. Risk Assessment

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 and Assets	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 and Assets	3	4	12	Reduce	Retain a specialist Counter Fraud Unit to tackle the misuse of public funds on behalf of the Council.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing