

## Housing Fraud – The Government gets tough

### *Background*

The government this week announced the next step in its fight against illegal subletting in social housing which is costing millions of pounds every year. The number of people on housing waiting lists continues to rise and the supply of social housing is failing to meet the new demand.

Communities & Local Government Minister John Healey has announced that funding is being given to local authorities and Registered Providers to crack down on fraudsters who are denying those in real need the opportunity to find accommodation.

Earlier in the year, the Audit Commission offered to work with social housing providers to identify those who were abusing the system and making hundreds (if not thousands) of pounds every year. This information in the form of 'leads' is being given to local authorities and registered providers to help them tackle the issue locally.

### *Getting properties back into circulation*

The decision to crack down on illegal subletting is aimed at getting more homes back into the social housing market and will save landlords millions of pounds based on a simple cost-benefit analysis - **Recovery is cheaper than construction**

### *What will this mean for me?*

Once you have identified those who are using premises illegally, what do you do next? What are the options available and what do you need to consider first?

You will also need to look at the requirements of the Audit Commission as regards reporting and making sure you comply with the KLOEs.

### *What can I do next?*

Whiteheads has developed a package of services that we can offer to all social landlords to help you better understand the risks that you run with illegal subletting which includes:

- Case review and viability assessment
- Investigation & evidence gathering
- Getting cases through the legal process effectively
- Practical measures to prevent subletting

We are also developing a series of workshops on this topic and the requirements of the Audit Commission and KLOE 6 (Tenancy & Estate Management) that will be available to landlords.

Please contact Peter Whitehead or David Higgins on 01257 266008 for further details on how we can help your organisation.