

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE STANDARDS (ADVISORY) COMMITTEE**

**HELD AT 7.30 P.M. ON WEDNESDAY, 17 OCTOBER 2012**

**ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, LONDON E14 2BG**

**Members Present:**

Mr Matthew William Rowe (Chair)

Mr Eric Pemberton (Vice-Chair)

Councillor David Edgar

Councillor Sirajul Islam

Councillor Fozol Miah

(Leader of the Respect Group)

Councillor Rachael Saunders

Ms Salina Begum

(Independent Member)

**Independent Observer:**

Mr Patrick (Barry) O'Connor

(Interim Independent Person)

**Other Councillors Present:**

Nil

**Officers Present:**

Isabella Freeman

– (Assistant Chief Executive - Legal Services, Chief Executive's)

Tony Qayum

– (Anti Fraud Manager, Internal Audit, Resources)

Sue Oakley

– (Senior Fraud Officer)

Alan Ingram

– (Democratic Services)

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Ms Sue Rossiter (Independent Member) and from Councillors Zara Davis and Carli Harper-Penman.

Councillor Sirajul Islam indicated that he would have to leave the meeting at 8.30 p.m., due to other commitments.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES**

Mr Barry O'Connor stated that his title should have been recorded in the attendance list as "Independent Person" rather than "Independent Member".

#### **RESOLVED**

That, subject to the above amendment, the minutes of the meeting held on 12<sup>th</sup> June 2012 be approved as a correct record of proceedings.

### **4. REPORTS FOR CONSIDERATION**

#### **4.1 Anti - Fraud Update 2012**

Mr Tony Qayum, Corporate Fraud and Governance Manager, presented the report and introduced Ms Sue Oakley, who covered work on the National Fraud Initiative (NFI) as his deputy.

Mr Qayum commented that the report included appendices relating to:

- Annual Fraud Report
- Fraud Survey Benchmarking exercise undertaken by the Audit Commission
- National Fraud Initiative

These activities had been recently reported to the Audit Committee and were now put before the Standards (Advisory) Committee in order to focus on the ethical matters arising, rather than on the controls, checks and balances already in place, and as a review to confirm that an appropriate level of governance had been established.

The report also included the annual briefing letter from the Audit Commission, which was complimentary on the whole.

Mr Qayum added that the NFI documentation was very detailed to demonstrate the processes involved, which took up a huge amount of staff time. It was necessary to demonstrate that there had been compliance with proper procedures to acquire information and that communication had been undertaken with other colleagues and organisations.

In response to queries from Members, Mr Qayum stated that:

- The Council's operational systems of risk management and control were addressed in the Audit Commission report and the Committee had been given details of irregularities that had been identified.
- The sum of £7.8m shown as tenancy fraud was a notional amount based on the actual losses to the organisation for which recovery was being sought. Where housing properties were recovered, a notional value of £200,000 per unit formed part of the recovery calculations as an indicative value.

- The estimated figure of £8.7m for detected fraud in 2010/11 was not included as a budgetary activity and did not impact on the budgetary process.
- The checklist for action proposed by the Audit Commission would be utilised and a response had been prepared last year on a similar basis, which had been submitted to the Audit Committee. It was hoped that there would be the opportunity to develop a threat assessment check and test corporate systems further.
- Tenancy fraud involving Registered Social Landlords (RSL) was also addressed by the Subletting Team and approximately one third of recovered properties had related to RSL units.
- Notifications of RSL tenancy frauds were received from a range of sources and there was good communication between the Council and the RSLs. Each referral was the subject of much desk top research to make a proper assessment of the likely amounts to be recovered. There might be a period of a year before an outcome was achieved but all referrals would be processed.
- The Council received grant funding from the DWP to deal with Housing benefit fraud on their behalf and there had been a suggestion that there would be a single fraud investigation service from 2017. Tower Hamlets was more successful in this field than most other local authorities and future outcomes would be reported to this Committee as well as the Audit Committee.
- The dismissals of staff in connection with fraud had not previously been reported but demonstrated that security systems were working. There was currently insufficient information to show how the Council compared with other authorities in this respect but it was not considered that Tower Hamlets would stand out highly, in view of the number of staff employed.

Having considered the report, the Committee recommended that:

- 1) The Council should continue to commission detailed review reports on how the Council was dealing with the risk of fraud from the Council's external auditor on an annual basis.
- 2) That Officers adopt the checklists for action as suggested by the Audit Commission in connection with anti-fraud work and maximising the benefits of NFI, as set out in pages 33 and 81 respectively of the report.

## **RESOLVED**

That the report be noted and Officers take appropriate action on the recommendations of the Committee.

## **4.2 Enforcement**

Ms Isabella Freeman, Assistant Chief Executive (Legal Services) introduced the report concerning the council-wide enforcement policy as agreed by Cabinet on 3 October 2012. She commented that the Council carried out

prosecutions for offences that have a direct impact on the lives of residents, as the level of these offences was such that the Crown Prosecution Service did not have the resources to pursue..

In reply to queries from Members, Ms Freeman indicated that:

- The Council's Prosecutions Team was dealing with an increasing number of cases, in liaison with Tower Hamlets Enforcement Officers (THEOs).
- There were now more THEOs on the streets and, due to the multi-functional training for their work, they were dealing with a variety of offences.
- When fines were imposed by the Courts, the collection was also by the Courts although this process was much slower than the Council's. The Council also had to decide on whether prosecution action was proportionate and could be justified.
- Much information was shared with the Police to analyse trends for offences of different types in different parts of the Borough, so as to work towards more preventative action on an intelligence-led basis.

With regard to comments by a Member, Ms Freeman confirmed that the number of premises licences suspended by the Licensing Sub-Committee would be included in further enforcement reports.

## **RESOLVED**

That, subject to the aforementioned point, the report be noted.

At this point, the Chair indicated that agenda item 4.4 would be considered as next business, owing to its related nature to 4.3. However, the minutes remain in the original order for ease of reference.

### **4.3 Complaints and Information Annual Report**

Ms Ruth Dowden, Complaints and Information Manager, introduced the report addressing the volume of complaints and information requests received by the Council in the period 1 April 2011 to 31 March 2012, the outcomes of those cases and the standard of performance in dealing with them. She added that the Local Ombudsman was not currently bringing forward any cases for the Council's attention.

In response to queries from Members, Ms Dowden indicated that:

- With regard to communications complaints, these generally related to failure by the delivery contractor to deliver EEL.
- Members asked what would happen if there were concerns raised by the Local Ombudsman. Ms Dowden confirmed that these would be contained in an annual report which would be considered by Corporate Management Team, Overview and Scrutiny Committee and the Standards (Advisory) Committee. Officers would ensure that action would be taken. As a lessons-learned procedure, Internal Audit also

looked at complaints submitted to the Local Ombudsman to determine whether a remedy might be agreed with relevant services.

- It was confirmed that such scrutiny would continue despite changes in the Local Ombudsman's office.
- EGRESS is being piloted to provide a secure email system to communicate sensitive information with members of the public and organisations without secure email. This will also support staff and help avoid incorrect addressing and transmission once the address book is set up. It is a system that affords greater safety and security in the transmission of data and teething problems have been overcome in the pilot.

#### **RESOLVED**

That the report be noted.

#### **4.4 Covert investigation under the Regulation of Investigatory Powers Act 2000**

Ms Isabella Freeman, Assistant Chief Executive (Legal Services), introduced the report concerning the Council's authorisation investigations under the Regulation of Investigatory Powers Act 2000 (RIPA).

Ms Freeman commented that from November it would be necessary for the Council to seek approval from the Magistrates' Court to carry out covert investigations under RIPA. This would mainly be used in cases where there was a requirement to obtain evidence concerning sales of alcohol and cigarettes to children. However, in most other instances the Council would be able to use other ways of securing evidence as at present. So it was not expected that this would impact on enforcement powers unduly.

#### **RESOLVED**

That the report be noted.

#### **4.5 Code of Conduct for Members - Complaints Monitoring Report**

Ms Isabella Freeman, Assistant Chief Executive (Legal Services), introduced the report and added that there were 6 matters outstanding as at the 1<sup>st</sup> July 2012. One of the 5 as is set out in the report had been referred to the First Tier Tribunal and that was under appeal. Four had been subsequently closed following consideration by the Investigations and Disciplinary Sub committee. There was one matter that was at investigation stage which would be reported back to the next meeting. It was proving difficult to meet the tight deadline set in the procedure of completing investigations within one month as witnesses and Councillors were not available and extensions were necessary. This would be a matter for the review in due course.

#### **RESOLVED**

That the report be noted.

**5. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

**(1) Recruitment of Independent Person**

Ms Freeman reported that the position had been advertised in October but there had been no response. It was intended to advertise further in East End Life. Further action would be considered if there continued to be a failure to attract candidates.

**(2) Members' On-line Time Sheets**

Ms Freeman indicated that the Service Head, Democratic Services was looking towards the use of an update to the Mod.Gov system to enable Members to upload their attendances directly on time sheets and to update their disclosable pecuniary interests. It was hoped to be able to report progress to the next meeting on 15 January 2013.

The meeting ended at 8.40 p.m.

Chair, Mr Matthew William Rowe  
Standards (Advisory) Committee