

**LONDON BOROUGH OF TOWER HAMLETS**

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

**HELD AT 7.30 P.M. ON TUESDAY, 16 APRIL 2013**

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

**Members Present:**

Mr Matthew William Rowe (Chair)  
Mr Eric Pemberton (Vice-Chair)  
Ms. Salina Bagum (Co-opted Member)  
Mr Denzil Johnson (Co-opted Member)  
Councillor David Edgar  
Councillor Sirajul Islam  
Councillor Rachael Saunders  
Councillor Peter Golds (Leader of the Conservative Group)

**Observer:**

Mr Patrick (Barry) O'Connor (Interim Independent Person)

**Officers Present:**

Jill Bell – (Head of Legal Services (Environment), Legal Services, Chief Executive's)  
Tony Qayum – (Anti Fraud Manager, Internal Audit, Resources)  
Angus Taylor – (Principal Committee Officer, Democratic Services, Chief Executive's)  
John Williams – (Service Head, Democratic Services, Chief Executive's)

**MR MATTHEW WILLIAM ROWE (CHAIR) IN THE CHAIR**

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Councillor Carli Harper-Penman.
- Councillor Zara Davis for whom Cllr Peter Golds is deputising
- Councillor Fozol Miah
- Mr David Galpin, Head of Legal Services (Community), for whom Ms Jill Bell Head of Legal Services (Environment) was deputising in relation to Agenda item 4.2.

**Noted**

## **2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

Councillor Peter Golds declared a personal interest in Agenda item 3.0 “Minutes of Standards (Advisory) Committee (SAC) held on 17<sup>th</sup> October 2012”. The declaration of interest was made on the basis that he would raise a matter arising from the minute relating to Page 5, Agenda item 4.5 “Code of Conduct for Members – Complaints Monitoring Report”, regarding the accuracy of the report considered by the SAC and that this matter affected Councillor Golds personally.

**Noted**

## **3. MINUTES**

Mr Barry O’Connor proposed for the consideration of SAC members, that the minutes be amended to correct the following typographical error: Page 2, Agenda item 4.1 “Anti Fraud Update 2012”, penultimate bullet, line 3 “head” should read “had”.

### **Matter Arising**

Councillor Peter Golds, referencing Page 5, Agenda item 4.5 “Code of Conduct for Members – Complaints Monitoring Report”, commented that the report considered by SAC on 17<sup>th</sup> October had been inaccurate, and this affected him personally because of the potential for reputational damage. The Chair commented that there was no formal procedural provision for consideration of matters arising from the minutes, only for consideration of their accuracy; however having heard from Councillor Golds he would allow a discussion on this occasion. A discussion followed which focused on the following points:

- Ms Jill Bell Head of Legal Services (Environment) advised that it would be inappropriate for Councillor Golds to make a submission to SAC on this matter, as the matter was not completed and members of the SAC might be required to take part in a hearing on the matter. Should SAC members present this evening consider the substantive content of the matter, it would prejudice their participation in any such future process, and that should be prevented. Ms Bell also stated that she considered the report considered by the SAC to have been factually correct at the time it was considered.
- Councillor Golds continued to assert that the report and oral position update considered by the SAC had not been fully accurate and gave some background for his view. Had he been aware of the content of the report at the time he would have attended the SAC meeting with a lawyer to correct the inaccuracy. Also commented that the Localism Act 2011 had abolished the statutory ‘Standards Regime’ and the matter could not be lawfully presented to the SAC for future determination. He considered that Officers and the SAC were attempting to silence him on the matter, when natural justice should allow him the opportunity for redress.

- The Chair commented that there was no intention to silence Councillor Golds but it was important to adhere to the correct procedural processes. Accordingly he sought and was given clarification as to locus of the SAC in considering a matter arising on the minutes, and the process to be followed were an erroneous report to have been presented to the SAC for consideration. Officers responded that a formal complaint should be lodged under the Complaints Procedure.
- Majority consensus that it was inappropriate for the SAC to consider the matter at this juncture for reasons including:
  - There was a formal complaints process that could be followed.
  - Uncertainty of the locus of the SAC to deal with the substantive content of the complaint.
  - The importance of taking account of the legal advice given earlier in the meeting, that consideration of the substantive content of the matter may prejudice participation in any future process to determine the matter.
  - It was unreasonable to expect SAC members to reach an informed viewpoint until all the relevant information was collated and presented to them to assist their understanding. Accordingly Mr Eric Pemberton **proposed** that a report containing this information be presented to a future SAC meeting.

The Chair **Moved** (taking account of the proposed amendment to the minutes from Mr O'Connor and the additional recommendation proposed by Mr Pemberton), and it was:-

### **Resolved**

1. That, subject to the amendment set out at (a) below, the unrestricted minutes of the ordinary meeting of the Standards (Advisory) Committee, held on 17<sup>th</sup> October 2012, be agreed as a correct record of the proceedings, and the Chair be authorised to sign them accordingly.
  - (a) Page 2, Agenda item 4.1 "Anti Fraud Update 2012", penultimate bullet, line 3 deletion of word "head" and insertion of word "had".
2. That a report be presented to a future SAC meeting with all relevant information pertaining to the matter arising on the minutes raised by Councillor Golds.

#### **Action by:**

Angus Taylor (Principal Committee Officer, Democratic Services, CE's)  
Jill Bell (Head of Legal Services (Environment), Legal Services, Chief Executive's).

## **4. REPORTS FOR CONSIDERATION**

### **4.1 Progress on National Fraud Initiative 2010 and New Initiative 2012**

Mr Tony Qayum, Corporate Anti-Fraud Manager, introduced and summarised key points in the report, which provided a progress update on the National Fraud Initiative (NFI) 2010, an overview of anti-fraud work undertaken by Audit Services over recent months, and details of the new 2012 NFI. In particular Mr Qayum:

- Advised that the value of overpayments identified by the 2010 NFI initiative was now approximately £832k.
- Detailed the nature of cases and outcomes relating to Section 4B, 4E and 5B, 5C, 5D of the appended 2010/11 Outcomes Summary. There had been 12 prosecutions relating to cases categorised in Section 5 compared with 41 the previous year.

A discussion followed which focused on clarification being sought and given on the following points:-

- The total value of monies that would be recovered as a result of the 2010 NFI and the rate of recovery for these. Total value approximately £832k. *Given the time needed to recover the monies their full value could not be recovered, however there was a deterrent value going forward associated with such prosecutions. A review would be undertaken in the Summer which focused on strengthening controls to prevent fraud where weaknesses had been found through cases identified by the 2010 NFI.*
- What impact Government changes to Benefit payments would have on the NFI and the data available. *Penalties identified for cases where there were no grounds for prosecution had risen from the debt plus 30% to debt plus 50%; and Officers envisaged that rather than pay this more people would take their chances in court.*
- Whether data matching results at the start of an NFI continued to be examined until all information had been exhausted or whether the matching was refreshed. *Given the volume of matches and examination of these in house by directorates with existing resources the cycle to obtain the information investigate and report back was 2 years.*
- To what extent the fraud identified in the 2010 NFI would inform planning and prioritisation of resources for the 2012 NFI. *The resources allocated for the investigation of Housing Benefit fraud and Social Housing fraud were to be maintained, as in the current economic climate and proximity to the City of London these areas were seen as high risk. It was intended to improve use of in house data matching.*
- Given the cost to the Council of errors in some areas how were procedures being made more robust to prevent these in future. *The Authority had an ongoing objective to strengthen systems and controls in response to identified weaknesses in order to provide appropriate levels of comfort; however it was accepted that there would always be risk in areas where monies could be claimed.*
- The nature/ details of expenses claim fraud reported at Section 4E of the appended 2010/11 Outcomes Summary. *3 cases of obtaining*

*parking permits at an address where the claimant did not live. 3 cases of delayed completion of paperwork for the deceased in a care home, and consequent continuation of payments. 4 case of duplicate payments.*

- Progress with reference to the minutes of the SAC held on 17<sup>th</sup> October, Page 3, Agenda item 4.1 “Anti Fraud Update 2012”, Resolution 1 & 2. *The expertise of the Audit Commission and the Authority’s external auditor had been utilised for independent reviews of the Authority’s risk management relating to fraud and to inform planning for this.* Mr Barry O’Connor **proposed** that a report containing a detailed progress update be presented to a future SAC.
- Whether the categorisation of cases in the NFI 2010/11 Authority Summary appended to the report, as High, Medium, Low was a measure of risk or importance. *Best data matches were categorised as high and the organisation focused on these first.*

The Chair **Moved** the recommendation set out in the report (taking account of the additional recommendation proposed by Mr O’Connor), and it was:-

**Resolved:**

1. That the contents of the report be noted; and
2. That a report containing a detailed progress update on the Authority’s use of external audit expertise to undertake a review of the Authority’s risk management arrangements for fraud be presented to a future SAC.

**Action by:**

Mr Tony Qayum (Corporate Anti-Fraud Manager, Audit Services, Resources).

**4.2 Covert investigation under the Regulation of Investigatory Powers Act 2000 - quarterly update**

Ms Jill Bell, Head of Legal Services (Environment), introduced and summarised key points in the report, which provided information concerning the Council’s authorisation of investigations under the Regulation of Investigatory Powers Act 2000 (RIPA). Ms Bell advised paragraph 3.24 of the report was incorrect in stating that no training had taken place, for officers who may engage in covert investigation, since February 2012. In fact training had been carried out in March 2013 with 7 Officers attending training provided by Metropolitan Police detectives.

A discussion followed which focused on the following points:-

- Clarification sought and given as to whether it was more difficult to undertake this surveillance given introduction of greater controls. *Yes; and the tri-annual external inspection of the Authority’s activities in this area would start in May 2013, with a new inspector reviewing all the Authority’s records. Officers were confident of a positive inspection report.*

- Welcomed the report, considering it was important for SAC to be informed of the Authority's activities in this area given the significance and scope of its powers.
- Commenting on the value of video footage to a recent Licensing Sub-Committee in reaching a fully informed decision, clarification sought and given as to whether restrictions of surveillance under RIPA may prevent the availability of such information in future. *No; as the report referred to covert surveillance not CCTV footage.*
- Consideration that referral of the report to the Licensing Committee would be helpful for its members. Accordingly **proposed** by Councillor Golds.

The Chair **Moved** (taking account of the additional recommendation proposed by Councillor Golds), and it was:-

**Resolved:**

1. That the contents of the report be noted; and
2. That the report be referred to the next Licensing Committee for information.

**Action by:**

David Galpin (Head of Legal Services (Community), Legal Services, Chief Executive's).

#### **4.3 Recruitment of Independent Person - Update (To Follow)**

Mr John Williams, Service Head Democratic Services, gave an oral report, in which he:

- Summarised the background of the 'Independent Person' (IP) role introduced nationally under the new 'standards regime resulting from the Localism Act 2011, and additional dimensions to the role specific to Tower Hamlets.
- Highlighted the nature of the candidate required for the role of IP, as specified in Government guidance, and the provision for transition arrangements whilst recruiting the IP.
- Summarised progress to date on implementing the timetable for IP recruitment agreed by the SAC in July 2012:
  - An initial advert for the IP role, placed in October 2012, yielded no response.
  - The role was currently being re-advertised in East End Life and the East London Advertiser; and, without pre-determining the recruitment process, given that applications for the role had been received, the agreed recruitment process could now be implemented after the closing date of 26<sup>th</sup> April.
- Outlined the next steps in the recruitment process: longlisting of candidates in consultation with the Interim IP Mr Barry O'Connor,

subsequent interview by a panel comprised of SAC members and concluding with a recommendation to full Council of an appointment.

A discussion followed which focused on clarification being sought and given on the following points:-

- The nature and extent of the Authority's efforts to attract suitable applicants for the role of IP, and inform organisations with a significant membership of suitable applicants such as Council of Voluntary Services and Chambers of Commerce. *The Communications Service had targeted community organisations in addition to using the general media.*
- Whether SAC or full Council would approve the formal appointment of an IP, the term of the appointment and the whether the agreed timetable for recruitment would result in an IP being in place by the next SAC meeting in July 2013. *Full Council would approve any appointment, the term of office was 3 years and an IP should be in place by the next SAC meeting together with a reserve IP able to act if the IP could not act due to a conflict of interest.*

The Chair **Moved**, and it was:-

**Resolved:**

That the contents of the oral report be noted.

#### **4.4 Members' attendance and timesheets**

##### **Special Circumstances and Reasons for Urgency**

Mr John Williams, Service Head Democratic Services, informed SAC members of the special circumstances/ reasons for urgency for the report as below.

"Officers delayed circulation/ publication of the report, beyond the normal timescales of the Authority for this, in order that SAC could be provided with the most up to date information in relation to the matters reported in the paper."

The Chair subsequently agreed the special circumstances and reasons for urgency, indicating that he was satisfied that the matter was urgent, as defined in the Authority's Constitution (Part 4 Rules of Procedure, Section 4.2 Access to Information Procedure Rules, Rule 6 Items of Business, sub paragraphs 6.3 and 6.5. The special circumstances justifying urgency being as detailed above.

Mr John Williams, Service Head Democratic Services:

- Introduced and summarised key points in the report, which provided an update on a range of matters related to Councillors attendance at

formal meetings and training events, completion of timesheets and the Register of Interests.

- Informed SAC members that he had **Tabled** an updated version of Appendix 1 to the report “Members Monthly Timesheets – Summary of Returns” which reflected the most current information, a copy of which would be interleaved with the minutes.
- Highlighted that the updated Appendix 1 which had been tabled reported that 16 Councillors were over 3 months in arrears with completion of their timesheets, and some Councillors had not completed a timesheet at all in the current Municipal Year 2012/13; and the SAC Chair may wish to consider raising this matter with the Councillors concerned and/ or their political group leaders/ whips.
- Updated SAC members on the introduction of a new online/ self-serve facility for completion of Member timesheets and declaration of interest forms. All Members would be fully briefed once the modern.gov committee management software had been fully tested in this area; and it was intended that Member training in use of the software would be included in the normal Member training programme associated with the Council AGM.

A discussion followed which focused on the following points:-

- Welcomed the introduction of a new online/ self-serve facility for completion of Member timesheets and declaration of interest forms, as both helpful and likely to improve Member performance with submission of this information.
- Consideration that the current Member timesheet included a number of categories that were no longer relevant, and could include alternatives that were more useful in showing the activities of Members. Councillor Saunders accordingly **Proposed** that the online timesheet be updated to better reflect the current activities of Members.
- Clarification sought and given as to whether the monitoring of Member activities in this was still relevant given the absence of tough sanctions. *Monitoring was still relevant, for example although the Localism Act 2011 had removed the requirement to declare certain types of interest, the Council’s own Member’s Code of Conduct required it.*
- Clarification sought and given as to whether Member non-attendance at statutory training for some committees, and the impact of this on the pool of Members eligible to sit on these, previously highlighted as a problem continued to be so. *No Members appointed to these committees had failed to attend training although some deputies had not been trained, consequently the position had improved. Officers intended to emphasise the responsibilities that came with committee membership, the burden placed on fellow Members by non-attendance at statutory training, and Officer intention to raise this with political group leaders/ whips if this occurred, in the programme of Member training associated with the Council AGM.*
- Mr Eric Pemberton **Proposed** that the SAC Chair write to those Members who had not completed their timesheets. A dialogue ensued:



- As to the value of this, as similar action in the past had little affect. *Responded that publication of the timesheets report had stimulated a flurry of further submissions, although this was from Members in arrears rather than the hardcore that did not submit them at all.*
- Whether such correspondence should focus on Councillors who had completed no timesheets in the current municipal year, or all those who were 3 months in arrears. Accordingly the Chair summarised and **Proposed** that all Members 3 or more months in arrears with timesheet completion receive a letter from the SAC Chair.
- Clarification sought and given as to whether the new category of Disclosable Pecuniary Interest applied to co-opted members of SAC and also to the Independent Person. *Disclosure applied to both and all Members and Co-opted Members of Committees would be reminded of the requirements at the start of the new municipal year.*

The Chair **Moved** the recommendations set out in the report (taking account of the amendments to recommendation 2.1(ii) proposed by Mr Pemberton and the Chair and the additional recommendation proposed by Councillor Saunders), and it was:-

**Resolved:**

1. That the information set out in Appendices 1, 2 and 3 to the report, in relation to Councillors' submission of timesheets, attendance at formal meetings and training events, and completion of the register of interests during the previous and current municipal years, be noted;
2. That all Councillors who are 3 or more months in arrears with completion of their timesheets receive a letter from the Chair of SAC;
3. That it be agreed that the SAC receive further monitoring reports at six monthly intervals; and
4. That the online Councillor timesheet be updated to better reflect the current activities of Councillors.

**Action by:**

John Williams (Service Head Democratic Services, Chief Executive's).

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

Ms Jill Bell, Head of Legal Services (Environment), informed SAC members that there was a need to convene meetings of SAC Sub-Committees for the transaction of business, however due to Member non-availability this had not been possible. Ms Bell requested that those Members who received a further invitation to sit on the Sub-Committees should make themselves available.

The meeting ended at 8.30 p.m.

Chair, Mr Matthew William Rowe  
Standards (Advisory) Committee