

Meeting of the

STANDARDS COMMITTEE

Tuesday, 12 October 2010 at 7.30 p.m.

A G E N D A

VENUE

M71, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG

Members:	Deputies (if any):
Chair: Mr Patrick (Barry) O'Connor Vice-Chair: Mr Matthew William Rowe	
Mr Ibrahim Ali Ms. S. Bagum Mr R. Hopkins Mr Barry Lowe Mr Eric Pemberton Ms Sue Rossiter	
Councillor Zara Davis Councillor Carli Harper-Penman Councillor Anwar Khan Councillor Md. Maium Miah Councillor Joshua Peck	Councillor Aminur Khan, (Designated Deputy representing Councillor Carli Harper-Penman, Councillor Anwar Khan, Councillor Md. Maium Miah and Councillor Joshua Peck) Councillor Ahmed Adam Omer, (Designated Deputy representing Councillor Carli Harper-Penman, Councillor Anwar Khan, Councillor Md. Maium Miah and Councillor Joshua Peck) Councillor Gloria Thienel, (Designated Deputy representing Councillor Zara Davis) Councillor Helal Uddin, (Designated Deputy representing Councillor Carli

Harper-Penman, Councillor Anwar Khan,
Councillor Md. Maium Miah and Councillor
Joshua Peck)

[Note: The quorum for this body is 3 Members, of whom two must be Independent Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: Amanda Thompson, Democratic Services, Tel: 020 7364 4651, E-mail: amanda.thompson@towerhamlets.gov.uk

LONDON BOROUGH OF TOWER HAMLETS

STANDARDS COMMITTEE

Tuesday, 12 October 2010

7.30 p.m.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Chief Executive.

	PAGE NUMBER	WARD(S) AFFECTED
3. MINUTES		
To confirm as a correct record of the proceedings the minutes of the meeting of the Standards Committee held on 20 July 2010.	3 - 6	
4. REPORTS FOR CONSIDERATION		
4 .1 Annual Anti Fraud Report 2009-10	7 - 18	
4 .2 Social Housing Fraud Update	19 - 22	
4 .3 National Fraud Initiative 2010-11	23 - 44	
4 .4 Monitoring Implementation of the Ethical Governance Protocol for Council Contracts	45 - 50	
4 .5 Corporate Complaints Half Year Report 2010/2011	51 - 68	
4 .6 Member Timesheets and Attendance at Committees - Report to Follow		
5. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT		

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Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE CHIEF EXECUTIVE

This note is guidance only. Members should consult the Council's Code of Conduct for further details. Note: Only Members can decide if they have an interest therefore they must make their own decision. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending at a meeting.

Declaration of interests for Members

Where Members have a personal interest in any business of the authority as described in paragraph 4 of the Council's Code of Conduct (contained in part 5 of the Council's Constitution) then s/he must disclose this personal interest as in accordance with paragraph 5 of the Code. Members must disclose the existence and nature of the interest at the start of the meeting and certainly no later than the commencement of the item or where the interest becomes apparent.

You have a **personal interest** in any business of your authority where it relates to or is likely to affect:

- (a) An interest that you must **register**
- (b) An interest that is not on the register, but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of your authority more than it would affect the majority of inhabitants of the ward affected by the decision.

Where a personal interest is declared a Member may stay and take part in the debate and decision on that item.

What constitutes a prejudicial interest? - Please refer to paragraph 6 of the adopted Code of Conduct.

Your personal interest will also be a prejudicial interest in a matter if (a), (b) and either (c) or (d) below apply:-

- (a) A member of the public, who knows the relevant facts, would reasonably think that your personal interests are so significant that it is likely to prejudice your judgment of the public interests; AND
- (b) The matter does not fall within one of the exempt categories of decision listed in paragraph 6.2 of the Code; AND EITHER
- (c) The matter affects your financial position or the financial interest of a body with which you are associated; or
- (d) The matter relates to the determination of a licensing or regulatory application

The key points to remember if you have a prejudicial interest in a matter being discussed at a meeting:-

- i. You must declare that you have a prejudicial interest, and the nature of that interest, as soon as that interest becomes apparent to you; and
- ii. You must leave the room for the duration of consideration and decision on the item and not seek to influence the debate or decision unless (iv) below applies; and

- iii. You must not seek to improperly influence a decision in which you have a prejudicial interest.
- iv. If Members of the public are allowed to speak or make representations at the meeting, give evidence or answer questions about the matter, by statutory right or otherwise (e.g. planning or licensing committees), you can declare your prejudicial interest but make representations. However, you must immediately leave the room once you have finished your representations and answered questions (if any). You cannot remain in the meeting or in the public gallery during the debate or decision on the matter.

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE STANDARDS COMMITTEE

HELD AT 7.30 P.M. ON TUESDAY, 20 JULY 2010

**ROOM M71, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT, LONDON,
E14 2BG**

Members Present:

Mr Patrick (Barry) O'Connor (Chair)

Ms. S. Bagum (Independent Member)

Councillor Zara Davis

Councillor Carli Harper-Penman

Mr R. Hopkins (Independent Member)

Councillor Anwar Khan

Mr Eric Pemberton (Independent Member)

Ms Sue Rossiter (Independent Member)

Mr Matthew William Rowe (Independent Member)

Other Councillors Present:

Councillor Kabir Ahmed

Officers Present:

Ruth Dowden – (Complaints Manager)

Isabella Freeman – (Assistant Chief Executive [Legal Services])

Amanda Thompson – (Team Leader - Democratic Services)

1. ELECTION OF AN INDEPENDENT MEMBER AS CHAIR OF THE COMMITTEE

Amanda Thompson, Democratic Services, advised that prior to seeking nominations for an Independent Member to be Chair of the Committee, she needed to inform the Committee of the re-appointment of Mr Patrick O'Connor and the appointment of Ms Sue Rossiter as Independent Members which had been agreed by the Council at its meeting on 14 July 2010.

Mr Eric Pemberton MOVED that Mr Patrick O'Connor be elected Chair and this was SECONDED by Mr Matthew Rowe.

No further nominations were received and it was therefore

RESOLVED

That Mr Patrick O'Connor be elected Chair of the Standards Committee.

2. ELECTION OF AN INDEPENDENT MEMBER AS VICE-CHAIR OF THE COMMITTEE**MR PATRICK O'CONNOR IN THE CHAIR**

Amanda Thompson asked for nominations for an Independent Member to be Vice-Chair of the Committee.

The Chair MOVED that Mr Matthew Rowe be elected Vice-Chair and this was SECONDED by Mr Richard Hopkins.

No further nominations were received and it was therefore

RESOLVED

That Mr Matthew Rowe be elected Vice-Chair of the Standards Committee.

3. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr Barry Lowe and Councillors Md. Maium Miah and Joshua Peck.

4. DECLARATIONS OF INTEREST

None received.

5. MINUTES**RESOLVED**

That the minutes of the meeting of the Standards Committee held on 16 February 2010 be agreed as a correct record and signed by the Chair.

6. REPORTS FOR CONSIDERATION**6.1 Standards Committee - Roles and Functions, Membership and Dates of Meetings**

Amanda Thompson introduced the report which detailed the roles and functions of the Committee, its membership and dates of meetings.

The Committee noted that in addition to the two appointments reported at the start of the meeting, there was still a third vacancy for an Independent member which was in the process of being recruited to.

In response to a question concerning the Councillor composition of the Standards Committee detailed at paragraph 4 a) of the report which stated

'two from the majority group on the Council and one from each of the other political groups', Isabella Freeman, Assistant Chief Executive (Legal), confirmed that the Council's Constitution would need to be amended following the appointment of two minority group Members by the Council.

Mr Eric Pemberton sought clarification regarding the granting and supervising of any exemptions from political restrictions detailed at paragraph 5 n) of the report. Isabella Freeman advised that this was a very rare requirement for Members of the Standards Board to undertake, however should the situation arise then specific training would be given.

RESOLVED

That the report be noted.

6.2 Annual Work Programme

Isabella Freeman introduced the report proposing a work programme for the Committee during the Municipal Year 2010/11.

The Committee noted that training on the Assessments Sub-Committee would also be taking place.

RESOLVED

That the proposed the work programme be agreed.

6.3 Corporate Complaints and Social Care Complaints Annual Report 2009/2010

Ruth Dowden, Corporate Complaints Manager, introduced the report detailing a summary of the complaints received by the Council through the Corporate Complaints procedure during the period April 2009 to March 2010, and those received by the Local Government Ombudsman for the same period.

The Committee noted that there had been significant improvements in response times at each of the three complaint stages, and the Local Government Ombudsman had commented positively in the Annual Letter to the Council regarding the focus on local resolution and prompt responses.

Members of the Committee raised a number of questions concerning the presentation of the information provided, evidence of route cause analysis, customer satisfaction, the effectiveness of each complaint stage, vexatious complainants, publicity of the service, and the timescales for Children's Social Care Complaints.

Ruth Dowden provided the following responses:

- The production of an executive summary at the beginning of the report document itself would be considered for the future
- Monitoring of progress of complaints was undertaken on a weekly basis to track performance and enable trends to be identified. This was more for analytical purposes and services are prompted to identify route causes.
- In order to target specific groups, additional publicity was undertaken, and Social Care departments issued service users with complaints information and leaflets.
- Customer satisfaction surveys were undertaken periodically and quality control measures were in place.
- Research was undertaken to see if complaints not upheld at Stage 1 were then overturned at a later stage.
- Children's Social Care Complaints took longer to resolve as an independent investigator had to be appointed and Service Heads were allowed to put action on hold if need be.

RESOLVED

That the report be noted.

7. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

Isabella Freeman reported that following the Government's decision to disband The Standards Board for England, Standards Committees would still continue to undertake the same role and functions, but without any guidance or support from a governing body.

The meeting ended at 8.15 a.m.

Chair, Mr Patrick (Barry) O'Connor
Standards Committee

Agenda Item 4.1

COMMITTEE:	DATE	CLASSIFICATION	REPORT NO.	AGENDA NO.
Standards Committee	12 October 2010	Unrestricted		
REPORT OF: Corporate Director, Resources	Annual Anti Fraud Report 2009-10			
ORIGINATING OFFICER(S): Tony Qayum, Head of Audit Services				
		Ward(s) Affected: N/A		

1. Introduction

- 1.1 This report provides a summary of the anti fraud activity during 2009/10.
- 1.2 The report provides a corporate perspective of the work of Audit Services as well as that of the Housing Benefit Investigations team, Parking Service and Insurance claims experience.

2. Recommendations

- 2.1 The Standards Committee is asked to note the contents of this report.

3. Background

- 3.1 This report provides the Standards Committee with a summary of work on sensitive and reactive enquiries undertaken during 2009/10. It includes an overview of the results of the investigations carried out by Housing Benefits Investigations, the Parking Service, and Insurance Services. By doing so it hopes to advise the Committee of the effectiveness of the Council's governance arrangements.
- 3.2 The following chart shows the resources expressed as full time equivalent (FTE) posts of the key services included within this report.

Service	FTE	Role
Risk Management	2	<ul style="list-style-type: none"> • Head of Audit Services • NFI Co-ordinator and Corporate Fraud Manager
	0.5	<ul style="list-style-type: none"> • Fraud Assistant “bought in” resource
	1.0	<ul style="list-style-type: none"> • Insurance Claims Officer
Central Benefits Fraud Team	1	<ul style="list-style-type: none"> • Fraud Manager
	2	<ul style="list-style-type: none"> • Team Leaders
	8	<ul style="list-style-type: none"> • Investigation Officers
	1	<ul style="list-style-type: none"> • Intelligence Officer
	1-2	<ul style="list-style-type: none"> • Admin Support
Parking Services	2	<ul style="list-style-type: none"> • Parking Fraud Investigation Officers

3.3 A detailed analysis of the results of the anti fraud and reactive work carried out by the Audit service is attached as Appendix A.

4. Key matters arising from the Audit Service Outturn for 2009-10

4.1 There has been one substantial inquiry which has involved close working between the relevant Directorate, Audit Services, the Police and Legal Services. The matter arose from an internal referral.

4.2 The resultant investigation covered an extensive range of systems and processes and required substantial staff resources to finalise all of the issues relating to criminality. The matter was referred to the Metropolitan Police and following arrest the case was successfully tried at Crown Court. The resultant system improvements were introduced by the relevant service and verified as being implemented by a follow up Audit review. Thus restoring an adequate level of control over the exposed risks.

4.3 The case was given publicity in the local press.

4.4 Audit Services has also worked closely with directorates to evaluate and enhance good governance and has worked closely with the Corporate Property Services division of the Development and Renewal directorate on the adequacy of controls for income and expenditure at a training centre within the authority. This was undertaken in close liaison with the Assistant Chief Executive (Legal Services).

4.5 The Audit Service has also provided support to Directorates upon request. This has included an ongoing review of the operation of the London Illegal

Money Lending team, a debtor integrity project and a review of the financial arrangements operated within the Community Safety team.

- 4.6 We have continued to work closely with the Council's Legal Service on a number of matters around employment law issues and governance matters including Money Laundering, Data Protection and the Parking Service (with regard to Blue Badge irregularity) and have worked corporately where instances of Resident Parking Permits and Blue Badge irregularity has involved members of staff.
- 4.7 We have introduced a small team to assist the Council in tackling Sub Letting of THH and RSL properties which is covered in detail in a separate report elsewhere on the agenda.
- 4.8 We have organised and run several training sessions with staff on Risk Management and the Anti Fraud and Corruption Strategy as part of our proactive initiatives and more are planned for this financial year.
- 4.9 During the year we introduced a monthly Governance paper which identifies key issues arising from sensitive inquiries and progress on investigations and this is issued to the Corporate Director, Resources and the Assistant Chief Executive, Legal Services who pick up any significant issues raised, through their own regular meetings.
- 4.10 The Head of Audit Services has continued to meet monthly with the Assistant Chief Executive, Legal Services on Governance and Risk issues.
- 4.11 Appendix B attached is a summary of the work of audit with an indicative value of anti fraud work carried out in 2009/10, including some findings for the NFI 2008/09.

5. The National Fraud Initiative (NFI)

- 5.1 The National Fraud Initiative (NFI) data matching exercise has continued to be supported. The Audit Commission manage this under their powers in the Audit Commission Act 1998.
- 5.2 The NFI is managed and co-ordinated by the Audit Service with joint working and protocols with all the key services including Central Housing Benefits Investigation Team, Payroll, Pensions, Rents and Right-to-Buy services to examine, refine and investigate the data matches.
- 5.3 For this exercise there were also formal joint working arrangements in place between the Central Housing Benefits Team and the local fraud team from the Department of Works and Pensions (DWP) to work on cases which affected both Housing and Council Tax benefits along with the DWP benefits.
- 5.4 The work on the NFI is largely finalised with all reports having been examined and refined. Investigations have also been largely completed although there are still some investigations in progress.

5.5 The Audit service has undertaken detailed reviews of all subject areas to ensure that the final out turn for the exercise is robust and evidenced based.

5.6 The following is a summary of the results of the LBTH outcome from the NFI work -

- £341,455 has been identified as overpayment/loss and is in the process of recovery. This includes the following breakdown:-
- £238,267 of overpaid Housing and Council tax benefits (currently being recovered)
- £15,675 representing 9 deceased pensioners
- Housing properties were recovered.
- Staff members left the Council's employment following the NFI probity checks

5.7 In addition to the above there were:-

Fifteen employees who have left the Council's employment following investigative work

5.8 The Council has enhanced the NFI outputs relating to Council tax single persons discounts and trade creditors potential duplicate payments :-

- The Council Tax Service worked in partnership with an external contractor which helped to identify over 1,000 cases of in-appropriate single person's discounts; this has resulted in £400,000 being identified and currently being recovered.
- A trade creditor's duplicate payments exercise was carried out by both Internal Audit and an external contractor which looked at the potential for duplicate payments to have been effected over the past three years. The resultant work identified some £500,000 of overpaid invoices and these sums have now been recovered. Included in this figure is £100,000 that was recovered directly as a result of the exercise.

6. Other Audit Activity

6.1 The following work areas have been undertaken, during 2009/10 by the Audit Service:-

- On-going liaison and support to corporate and departmental personnel;
- Proactive joint working with other Local Authorities, the Police, the DWP and other government Agencies; and
- Training and Development via the Public Sector Partnership with the Metropolitan Police.

7. Insurance Claims Experience

7.1 The Council manages a system for the handling of its Insurance risks through a specific team within Risk Management. During 2009-10 the Council introduced a new case management system that lends itself to better reporting of claims activity and so for this year we have included the raw data on the Councils claims experience for information. It is envisaged that this will be regularly reported to reflect trends and the outcome of anti fraud initiatives designed to minimise the insurance fund's exposure to fraudulent/ exaggerated claims.

7.2 The table below shows the claims experience that covers a three year cycle.

<i>Year</i>	<i>No. Claims</i>	<i>Closed (paid)</i>	<i>Closed (settled £0)</i>	<i>Open</i>	<i>Total Est Outstanding £</i>	<i>Total Paid £</i>	<i>Total Claim £</i>
2007 /8	557	220	296	41	1,118,566	662,147	1,780,713
2008 /9	570	221	249	100	804,782	232,821	1,037,603
2009 /10	586	92	178	316	1,991,505	113,411	2,104,916

8. Housing Benefits Investigation Service

8.1 The Housing Benefits Investigation Service is responsible for the reactive and proactive management and investigation of local government benefit fraud, including:-

- Benefits Whistle-blowing hotline;
- Internal Referrals;
- External Referrals (Agencies and public);
- Joint working with Department of Work and Pensions (DWP);and
- Data matching referrals (NFI and Housing Benefit Matching Service output from DWP);

8.2 During 2009/10 the Service have had the following successes-

- 189 cases being dealt with;
- 26 convictions at court;
- 85 cautions (i.e. proven cases of fraud, whereby the amount was small or where there were mitigating circumstances to avoid prosecution);
- 78 Administrative Penalties; and
- Total Housing and Council Tax overpayments that represent the 189 cases equates to £607,392

9. Parking Services

9.1 The Parking Service investigations have resulted in seventeen parking fraud cases.

Of these:-

- 16 cases resulted in convictions with fines amounting to £4,310 and costs in the sum of £4,425 - both of which were awarded to the Council;
- two cases were disposed of via the application of a Caution; and
- three cases were withdrawn following representation on the grounds that there was no longer an economic prospect of conviction.

10. Comments of the Chief Financial Officer

10.1 These are contained within the body of this report.

11. Concurrent Report of the Assistant Chief Executive (Legal Services)

11.1 There are no immediate legal implications arising from this report.

12. One Tower Hamlets

12.1 There are no specific one Tower Hamlets considerations.

12.2 There are no specific Anti-Poverty issues arising from this report.

13. Risk Management Implications

13.1 The revised control environment should pick up the areas identified as of concern and reduce the residual risk.

14. Sustainable Action for a Greener Environment (SAGE)

14.1 There are no specific SAGE implications.

APPENDIX A

Tower Hamlets Homes

<u>No. of Days</u>	<u>Audit Activity</u>	<u>Comments/Outcome</u>
7	Services Charges data cleansing	On-going support to the leaseholders service charges data cleansing and data migration
7	Rent Increase matters	Investigation into the failure to issue rent increase notices to all tenants
5	RTB valuation and litigation	On-going support on the litigation resulting from in-appropriate valuations of RTB's
2	THH Finance Committee	
3	4 Police and other external agency referrals	Joint working with other agencies concerning THH current and employees
5	2 Whistle bows under 5 days	Management of whistle blows and investigations as necessary
7	4 referrals under 2 days	Support to management on management referrals
12	NFI investigations work for the 2008-9 exercise	National fraud initiative 2008-9 meeting requirements for Section 151 officer under the Audit Commissions Code of Data matching Practice 2008 including Tenancy data set pilot
32	Social Housing Fraud	Management of social housing fraud team and carrying out investigations and recovery of properties
-		
<u>80</u>	<u>sub total</u>	

LBTH Re-active

<u>No. of Days</u>	<u>Audit Activity</u>	<u>Comments/Outcome</u>
12	Advice to Management	Advice and support to management on internal enquiries and controls
6	Annual Governance Statement	Collation of evidence for the an preparation of annual governance statement 2009/10
10	Anti Fraud Forums and Training	Co-ordinating anti fraud forum groups, providing fraud training to employees and joint working with East London Solutions partners
20	Community Safety Unit	Review of the work and governance arrangements of the Community Safety Unit and specific issues concerning budgetary control
20	Bethnal Green Training Centre	Financial review of the BGTC to test the controls for income and expenditure and quality assessments of the accounts
15	Data integrity project	Debtors pilot with external organisation software to manage/link debts across the Council
8	Employee re verification	Support to management on specific employee re verification matter and review re-verification options to enhance governance
15	Joint working with Directorates on Internal referrals	Joint working and referrals from Payroll Services, Benefits Services and Trading Standards
7	LPSA 2	Audit of LPSA 2 activities to support claim
10	Money Laundering	Setting up referral system with the cash collecting services to ensure compliance with money laundering regulations. Including liaising with the police on potential breaches

<u>No. of Days</u>	<u>Audit Activity</u>	<u>Comments/Outcome</u>
105	National Fraud Initiative	Managing and co-ordinating NFI 2008/9 exercise (and NFI's in the 2009/10 rolling programme) work across Services and also investigating the matches with governance impact including employee associated matches and creditors
35	National Indicators	This output includes all internal Audit work on supporting data quality and joint working with the Performance Review Team including review and assurances on quality of services data sampling, testing and preparation of documentation for National indicators. It also includes comprehensive reviews of all the high risk NI's and retained BVPI's in preparation for the external audit, with additional emphasis on third party data which could impact on the CAA review.
10	Outside agencies	Requests for information, and whistle blow referrals from other local Authorities, DWP and other agencies, Banks, Building Societies, Health Authorities, etc.
8	Parking Services	Joint working with parking service and support on specific cases
12	Police Enquiries and police referrals	Joint working on police referrals and reactive support to police enquires from local Financial Investigation Units on recovery of assets and support to enquires to Metropolitan Police
7	Purchase cards	On going joint working with procurement on purchase card fraud (external)
71	Reactive work 3-5 days	19 jobs - include management inquiries and support on code of conduct matters arising
15	Reactive work/enquiries under 3 days	12 Reactive responses to internal inquiries under three days, these include review and response to appropriate Service Head.
23	Review of duplicate payments	Duplicates payments testing to identify level potential duplicate payments and recovery
18	Review of London Illegal Money Lending Team	Review of management arrangements, systems and procedures and recruitment arrangements
13	Review of use of Resources for CAA	Implementation of Red Book 2 requirements guidance by Audit Commission on managing, tackling and prevention of fraud
10	Servicing Committees and management support	

<u>No. of Days</u>	<u>Audit Activity</u>	<u>Comments/Outcome</u>
10	Tackling Social Housing Fraud	Obtaining Government funding £50K, recruitment of Temporary Social Housing Fraud Team and publicising the Authority's action on tackling un lawful subletting of public housing stock
7	Whistle blow -Youth Service	Investigations into inappropriate payments to employees
12	Whistle blow -Youth Service	Investigations into appointments process
27	Whistle blowing and anti fraud email referrals under 5 days	Management of 45 Whistle blowing hotline and anti fraud email enquiries (excludes social housing fraud investigations on whistle-blows)
506	<i>sub total</i>	
586	<i>Total days</i>	

APPENDIX B					
	No.	Notional future savings value	Notional future savings value total	Actual Value	Total
<u>NFI 2008/9 (2 year outturn)</u>			-		
Identified value of overpayment/losses - recovery in the process			-	341,455	341,455
2 Housing properties were recovered.	2	75,000	150,000		150,000
5 Staff members left the Council's employment following the NFI probity checks	5	5,000	25,000		25,000
Council Tax single person discount cancelled to beginning of year	1000	250	250,000		250,000
Council Tax single person discount overpayments extending one year being also recovered			-	150,000	150,000
Duplicate payments work initiated by NFI but additionally work carried out by Audit and contractor identified and recovered			-	500,000	500,000
<u>Sub total</u>			<u>425,000</u>	<u>991,455</u>	<u>1,416,455</u>

	No.	Notional future savings value	Notional future savings value total	Actual Value	Total
<u>Value of other anti Fraud work carried out in 2008/09</u>					
Employees leaving after identity checks and dismissal following code of conduct (all relatively low grade employees)	32	5,000	160,000		160,000
Benefits Prosecutions	189	3,200	604,800		604,800
Benefits Cautions	85	1,200	102,000		102,000
Benefits Administrative penalties	26	1,200	31,200		31,200
Housing benefits overpayments under recovery				607,392	607,392
Parking Fraud Prosecutions	16	1000	16,000		16,000
Parking Fraud –Formal Caution	1	500	500		500
<u>Page sub total</u>			<u>914,500</u>	<u>607,392</u>	<u>1,521,892</u>
<u>overall totals</u>			<u>1,339,500</u>	<u>1,598,847</u>	<u>2,938,347</u>

Agenda Item 4.2

REPORT TO:	DATE	CLASSIFICATION	REPORT NO.	AGENDA NO.
Standards Committee	12 October 2010			
REPORT OF: Corporate Director, Resources ORIGINATING OFFICER(S): Tony Qayum, Head of Audit Services	Social Housing Fraud Update Ward(s) Affected: N/A			

1. Introduction

- 1.1 This report summarises the work of the anti fraud team on social housing fraud and the recovery of un-lawfully let public sector dwellings.

2. Recommendations

- 2.1 The Standards Committee is asked to note this report and seek any clarification as necessary.

3. Background

- 3.1 In September 2009 the Audit Commission published its report "Protecting the Public Purse" in which it identified that up to 50,000 properties within the public sector in England could be at risk of being unlawfully sub let. The predicted loss to the public purse was estimated to be in excess of £2 billion.
- 3.2 In response to this report, the Government set up a fund to encourage local authorities to promote tackling tenancy fraud. The Audit team at Tower Hamlets successfully bid for and secured the maximum allocation of £50,000 at the end of December 2009. A decision was made to use this fund to pro actively work with a range of stakeholders to identify this type of fraud and to recover properties for legitimate letting. The paragraphs below set out the actions that have been taken to date.
- 3.3 Audit Services have consulted with Tower Hamlets Homes and other Registered Social Landlords within the borough and with key

stakeholders in the Council, particularly Legal Services and the officers within Development and Renewal dealing with housing.

- 3.4 Audit Services have also utilised the funding to promote and publicise the Council's whistle blowing hotline (0800 528 0294) and its anti fraud email address (anti-fraud@towerhamlets.gov.uk) to allow residents, staff, members and contractors to report their concerns about tenancy fraud and un-authorized sub letting. The hotline also continues to be used to report other types of fraud or irregularity.
- 3.5 A poster campaign was undertaken and press releases were issued in East End Life which was subsequently picked up by other local newspapers such as the East London Advertiser. The purpose of the campaign was to publicise what we were doing and that we working in partnership with Tower Hamlets Homes, local RSLs and neighbouring authorities (London Boroughs of Newham, Barking and Dagenham, Redbridge, Havering and Waltham Forest). Together with these authorities we have formed a 'best practice and information sharing initiative' known as East London Solutions.
- 3.6 The majority of the funding has been used to fund three specialist housing fraud officers, employed on six month fixed term contracts to work specifically on the property recovery. Their objective has been to:
- Identify social housing fraud cases;
 - Assist/recover unlawfully public sector (ALMO and RSL) occupied properties (Secure and Assured tenancies);
 - Build up working relations with THH and RSLs to joint manage social housing fraud;
 - Deal with associated fraud matters arising from un lawful occupancy work including Housing Benefit Irregularities, Parking Permit abuse etc; and
 - Identify weaknesses and learn and improve systems to prevent un-lawful occupancy.
- 3.7 The posts were advertised in January 2010 and all three officers with skills in housing management and fraud investigation were in place by end of May 2010.

4. Current Position

- 4.1 Training on tackling housing fraud has been delivered to Tower Hamlets Homes and local RSLs jointly between the Council's Legal Services and Audit Services.

- 4.2 The Team has successfully worked together and built professional relationships with both Tower Hamlets Homes and local RSLs and this is reflected in the number of referrals and recovery successes. Monthly meetings on progress and issues are held between the Head of Audit Services and Senior Housing Management within THH, and Audit Services are working closely with THH on developing enhanced procedures to minimise the risk of subletting in the first instance.
- 4.3 The Team has also met with the Lettings Service management team, Fraud Officers in the Housing Options Service and THH area office housing teams. These meetings have resulted in an increase in referrals and requests for advice from front-line THH staff. Contacts made with partner RSLs has resulted in a similar surge in referrals.
- 4.4 The East London Solutions group has met on four occasions since January which has facilitated the sharing of experience and intelligence on areas to target and how to work smarter. The London Borough of Hackney has now joined the group also.
- 4.5 The publicity on the whistle blowing hotline and the anti-fraud email has proved effective with over 100 referrals for investigations being received from this mode and a further 38 had been received through internal referrals from other services.
- 4.6 A recent test pilot has been undertaken by matching some of our council stock data to external credit agency records which has identified some 700 cases for follow-up.
- 4.7 The following is a summary of the team's case load, progress and successes to date:-
- 158 current cases;
 - Of these 18 have current Notice to Quit having been served on the property and after 28 days are potentially recoverable;
 - 4 further cases are due to be served with Notice's within the next 14 days;
 - 45 of these cases are actively been investigated for both tenancy issues and housing benefit fraud;
 - 75 cases have to date been investigated and closed with no unlawful tenancy issues;
 - 16 properties have been recovered (11 concerning Tower Hamlets Homes and 4 relating to RSL's and 1 relating to a Tenant Management Organisation); and
 - Although 700 new cases (as item 4.6) to be allocated.

4.8 It is intended to provide the Standards Committee with regular updates on the progress of this initiative and proposals for future service delivery.

5. Comments of the Chief Financial Officer

5.1 These are contained within the body of this report.

6. Concurrent Report of the Assistant Chief Executive (Legal Services)

6.1 There are no immediate legal implications arising from this report. To date the legal work involved in this initiative has been contained within the legal services budget but if workloads were to increase substantially consideration would need to be given on how to resource this.

7. One Tower Hamlets

7.1 There are no specific one Tower Hamlets considerations.

7.2 There are no specific Anti-Poverty issues arising from this report.

8. Risk Management Implications

8.1 The revised control environment should pick up the areas identified as of concern and reduce the residual risk.

9. Sustainable Action for a Greener Environment (SAGE)

9.1 There are no specific SAGE implications.

Agenda Item 4.3

REPORT TO:	DATE	CLASSIFICATION	REPORT NO.	AGENDA NO.
Standards Committee	12 October 2010	Unrestricted		
REPORT OF: Corporate Director, Resources	The National Fraud Initiative 2010-11			
ORIGINATING OFFICER(S): Tony Qayum, Head of Audit Services				
		Ward(s) Affected: N/A		

1. Introduction

1.1 This report provides the Standards Committee with the background and evolution of the London Fraud Initiative into the National Fraud Initiative (NFI) and launch of the current NFI 2010-11 which have been managed by the Audit Commission.

2. Recommendations

2.1 The Standards Committee is asked to note the contents of this report.

3. Background

3.1 The NFI compares different sets of data, for example payroll and benefit records, against other records held by the same, or another organisation, bringing to light potentially fraudulent claims and payments. Where a match is found, this means there may be an inconsistency that needs investigation.

3.2 The NFI is managed by the Audit Commission and the NFI aims to help prevent and detect fraud and is one of the key ways in which the Audit Commission fulfils its responsibility to promote economy, efficiency and effectiveness in the use of public money.

3.3 The Audit Commission processes the NFI data under its statutory powers, which are set out in Part 2A of the Audit Commission Act (1998). These powers put data matching on a statutory footing for local government and NHS bodies, as well as allowing the Audit Commission to extend the NFI to central government and private sector organisations that wish to take part

3.4 The London Borough of Tower Hamlets has been participating in the National Fraud Initiative (previously known as the London Fraud Initiative) since 1994.

- 3.5 The Serious Crime Act 2007 (SCA) gave the Audit Commission new powers to enable the benefits of NFI to be extended to central government and the private sector. The Serious Crime Act 2007 inserted a new Part 2A into the Audit Commission Act 1998 (ACA).
- 3.6 The SCA imposed a new regulatory regime alongside existing fair processing and other compliance requirements of the Data Protection Act 1998. Any person or body conducting or participating in the Commission's data matching exercises must by law, have regard to a statutory Code of Data Matching Practice.
- 3.7 The exercises have evolved over time and the Commission has extended its partners to all Local Authorities in England, Wales, Scotland, and Northern Ireland and pension details from the Health, Police, and Fire Services. To date the National Fraud Initiative has successfully detected fraud and overpayments totalling over £600 million since 1996. A copy of the 2008/09 NFI report is attached as Appendix A.

4. Statutory Framework and Code of Data Matching Practice 2008

- 4.1 The Commission conducts data matching exercises under its statutory powers in the Audit Commission Act 1998, Part 2A. The Legislation requires the Commission to prepare a code of practice to govern its data matching exercises, and to consult over it before approving and laying it before Parliament. The Code of data matching practice 2008 was finalised, published, and laid before Parliament on 21 July 2008. The 2008 Code replaced the previous Code published by the Commission in May 2006. A copy of the 45 page Code can be found on the Audit Commission website on the following link <http://www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/CodeDMPFinalJuly08.pdf>
- 4.2 The Commission may carry out data matching exercises for the purpose of assisting in the prevention and detection of fraud, as part of an audit or otherwise. The Commission may require certain bodies to provide data for data matching exercises. Currently these are all the bodies to which it appoints auditors or which it inspects other than registered social landlords. Other bodies may participate in its data matching exercises on a voluntary basis where the Commission considers it appropriate. Where they do so, the statute states that there is no breach of confidentiality and generally removes other restrictions in providing the data to the Commission. The requirements of the Data Protection Act 1998 continue to apply.
- 4.3 The processing of data by the Commission in a data matching exercise is carried out with statutory authority. It does not require the consent of the individuals concerned under the Data Protection Act 1998. However the Data Protection Act 1998 normally requires participants to inform individuals that their data will be processed. Unless an exemption applies, for data

processing to be fair, the first data protection principle requires data controllers to inform individuals whose data is to be processed of:

- the identity of the data controller;
- the purpose or purposes for which the data may be processed; and
- any further information that is necessary to enable the processing to be fair.

4.4 The Audit Commission's code of practice requires that the Director of Finance or equivalent senior named officer will act as Senior Responsible Officer for NFI purposes. The Director of Finance, or equivalent senior named officer acting as 'senior responsible officer' for NFI, has key responsibilities to ensure the statutory requirements for bodies participating in NFI are met, as follows:

- nominate a key contact
- ensure the key contact has access to the matches (via the secure NFI software) when they become available (January 2011)
- ensure that the key contact fulfils all data protection requirements

4.5 Key Contact role - The key contact will be responsible for:

- nomination of appropriate users to upload data submissions. This should be the person with the most knowledge of the system in question
- nominating appropriate dataset contacts
- ensuring that the data formats guidance and data specifications are adhered to
- fulfilling data protection requirements. The key contact should be in direct communication with their organisation's data protection officer or person with equivalent responsibility
- nominating appropriate users that will investigate the matches and act as point of contact for other bodies
- coordinating and monitoring the overall exercise
- providing feedback on the outcomes of the exercise

Participants should submit a declaration confirming compliance with the fair processing notification requirements (Fair processing compliance return).

4.6 Data submission - The user responsible for submission of the data should ensure that data:

- meets the specifications
- is in the correct format
- is submitted by the specified method (in other words, the data file upload facility (DFU))
- is received by the required deadline(s)

4.7 A secure Data File Upload (DFU) facility is available within the NFI software from the link on the home page or the left hand menu. This enables you to

upload your data quickly and easily. A password can also be added to this data. This is the only acceptable method of providing data for NFI.

- 4.8 The code also requires the external auditor to 'provide reasonable assurance' that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.
- 4.9 Therefore, the code advises, where there is a significant number of over or underpayments identified using a data matching technique may give the auditor reason to believe that there has been a material misstatement of the accounts. This may lead to audit recommendations to improve the systems of internal control.
- 4.10 In preparation for the new code of Practice , Internal Audit have undertaken a detailed examination of the follow up made by services on the output of the last NFI to ensure all reports have been thoroughly reviewed and where necessary followed up.
- 4.11 Data matching in the NFI involves comparing sets of data, such as the payroll or benefits records of a body, against other records held by the same or another body to see how far they match. This allows potentially fraudulent claims and payments to be identified. Where no match is found, the data matching process will have no material impact on those concerned. Where a match is found, it indicates that there is an inconsistency that requires further investigation. In the NFI, participating bodies receive a report of matches that they should follow-up, and investigate where appropriate, to detect instances of fraud, over- or under-payments and other errors, to take remedial action and update their records accordingly.
- 4.12 The purpose of this Code is to help ensure that the Commission and its staff, auditors and all persons and bodies involved in data matching exercises comply with the law, especially the provisions of the Data Protection Act 1998, and to promote good practice in data matching. It includes guidance on the notification process for letting individuals know why their data is matched and by whom, the standards that apply and where to find further information.
- 4.13 Layered notices –

The Information Commissioner recommends a layered approach to fair processing notices. Usually there are three layers: summary notice, condensed text and full text. Taken together, the three layers comprise the fair processing notice. Participants should decide the content and means of issue of fair processing notices for themselves.

5. National Fraud Initiative 2010/11

- 5.1 In accordance with the Code of Data matching Practice 2008 the Key Contact has been notified to the Audit Commission and the role at Tower Hamlets has been incorporated within the role of the NFI Co-ordinator. The main functions of this role in addition to those specified in Item 4.5 are -
- to ensure that the data has been obtained fairly so that it can be released for the exercise and submit the certificate of fair processing compliance
 - ensure that the data complies with the required formats and submitted to the Commission on time
 - Manage the output data on Audit Commissions web site and act as local administrator to the site to manage enrolment and training of investigators
 - Co-ordinate the Authority's results and liaise with the Commission
 - Provide advice, training and assistance to investigators
 - Carry out initial investigations that concern potential employee irregularity
- 5.2 A time table for the current NFI 2010/11 is attached as appendix B of this report with the following key deadlines-
- 27th September – Submission of Fair processing Compliance return
 - 4th October - Data extraction date
 - 4th October (or ASAP)- Data to be supplied to the Commission
 - 25th January 2011 – Output data expected from the Audit Commission
- 5.3 As previously advised the NFI is a national data matching exercise of data from Authority's key financial systems to identify potential fraud or error. For the NFI 2010/11 all Local Authorities are required to provide the mandatory data :-
- Payroll
 - Pensions
 - Trade creditors' payment history and Trade creditors' standing data
 - Housing
 - Housing benefits² **
 - Council tax (not required until 2011)
 - Electoral register (not required until 2011)
 - Students eligible for a loan³**
 - Private supported care home residents
 - Transport passes and permits (including residents' parking, blue badges and concessionary travel)
 - Insurance claimants
 - Licences - Market trader/operator, Taxi driver and (new) Personal licences to supply alcohol

(NB some data sets ** will be obtained from other sources i.e Benefits Department for Work and Pensions and Students data to be provided by Student Loan Company (SLC).

5.4 Whilst participation in the NFI's is mandatory all participants need to ensure that all information to be released for the NFI is fair processing compliant under the Data Protection Act 1998.

5.5 Tower Hamlets achieves fair processing compliance in two processes :-

- The fair processing statement is included in all key data collecting applications held by the Authority. All applications advise the applicants that the Authority has a duty to protect the public purse, and that as part of the declaration signed by applicants they understand that the Authority has this duty and that it will take steps to recover or redress abuse and share information with other Authorities or agencies for the prevention and detection of crime. This is consistent with the Authority's Anti Fraud and Corruption Strategy.
- In addition data subjects are notified of the Authority's participation in the current NFI's by a range of processes. These are detailed in the next part of this report under consultation processes.

5.6 A layered processing of notifications has been used in the past accordance with the code of Data Matching practice 2008 and this is currently in progress at time of writing the report, with the following :-

- First Layer to advise the data subjects that LBTH is taking part in the next national fraud initiative and the name of the officer at LBTH who should be contacted should you require more details and what it may mean to you
- So far we have achieved compliance with fair processing on Council Tax (annual council tax statement in march 2010) and Pensioners via their annual newsletter in April 2010,
- employees should be notified with week commencing 23rd August 2010, Schools (including school governors) in early September after summer recess.
- Articles are also to be released in the Members bulletins, Managers briefing and staff newsletter before the deadline
- Tenants notifications will be made via local free publication "East End Life" press release this will also include translated articles for other local newsletters
- Second layer is a summary of what the NFI is about and who to contact at the Authority and provide link of the Audit Commission site for detailed information, this has been achieved by a summary outline of the exercise and who to contact for more information being publicised on the Council's web site on the following link www.towerhamlets.gov.uk/nfi
- Third layer is the detailed information held on the Audit Commission web site. <http://www.audit-commission.gov.uk/nfi/Pages/default.aspx>

6. National Fraud Initiative 2008/09

6.1 The NFI 2008/09 is being finalised. The detailed outcomes of the work carried out and the results are included the Annual Anti Fraud Report 2009/10 which is elsewhere on the agenda.

7. Comments of the Chief Financial Officer

7.1 These are contained within the body of this report.

8. Concurrent Report of the Assistant Chief Executive (Legal Services)

8.1 There are no immediate legal implications arising from this report.

9. One Tower Hamlets

9.1 There are no specific one Tower Hamlets considerations.

9.2 There are no specific Anti-Poverty issues arising from this report.

10. Risk Management Implications

10.1 The revised control environment should pick up the areas identified as of concern and reduce the residual risk.

11. Sustainable Action for a Greener Environment (SAGE)

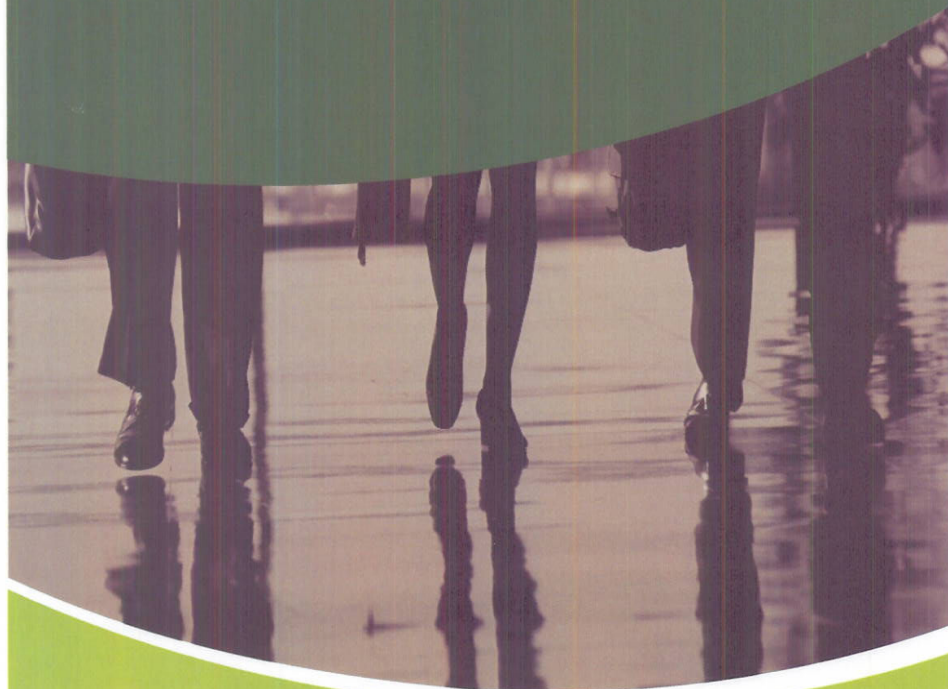
11.1 There are no specific SAGE implications.

APPENDIX A

See attached page

The National Fraud Initiative 2008/09

Summary of our national report published in May 2010



The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Summary

Fraud is a serious and growing problem for the nation.

- Fraud costs the UK £30 billion each year according to the National Fraud Authority.
- Tackling fraud should be a top priority for all organisations.

The Audit Commission runs the National Fraud Initiative (NFI) to help detect fraud, overpayments and error.

- The NFI is a data matching exercise, using sophisticated computer techniques, which matches data within and between organisations.
- Our latest exercise in 2008/09 processed 8,000 datasets from 1,300 organisations.

The NFI 2008/09 found record levels of fraud, overpayments and error.

- Data matching identified fraud, overpayments and error of £215 million across the UK, up 54 per cent from our previous exercise in 2006/07.
- This means that since its launch in 1996, the NFI matches have enabled the detection of fraud, overpayments and error totalling £664 million (Figure 1).ⁱ
- The Commission's exercise in England identified £183 million of fraud, overpayments and error. This comprises £90 million of savings already delivered as recorded by participating bodies and estimated savings of £93 million.

i The figures used throughout this report for fraud detections, overpayments and recoveries include both already delivered and estimated outcomes. Estimates are included where it is reasonable to assume that fraud, overpayments and error would have continued undetected without NFI data matching. A more detailed explanation is included at Appendix 2.

- The NFI helped to uncover pension frauds and overpayments amounting to £78 million, and £56 million of council tax single person discount that was fraudulently or wrongfully received.

The NFI 2008/09 produced other successful outcomes.

- 181 employees were dismissed or asked to resign because they had no right to work in the UK.
- 269 people were prosecuted.
- 21,534 concessionary travel permits and 16,535 blue badges were cancelled.
- 97 properties were recovered for social housing.

Most organisations taking part in the NFI perform well but some are not doing enough.

- The £215 million of fraud, overpayments and errors detected reflects well on the efforts of most public bodies and other participants in the NFI 2008/09, who followed up effectively their data matches.
- The NFI is regarded as a periodic exercise, and is not linked to routine corporate counter-fraud arrangements.
- Elected members, non-executives and senior management are often unaware of the NFI.
- A small number of organisations had significant failings in the way they managed the NFI, for example, not submitting the data required or failing to follow up council tax matches effectively.

Changes to the law in 2007, which allowed the NFI to extend to other organisations, have had success.

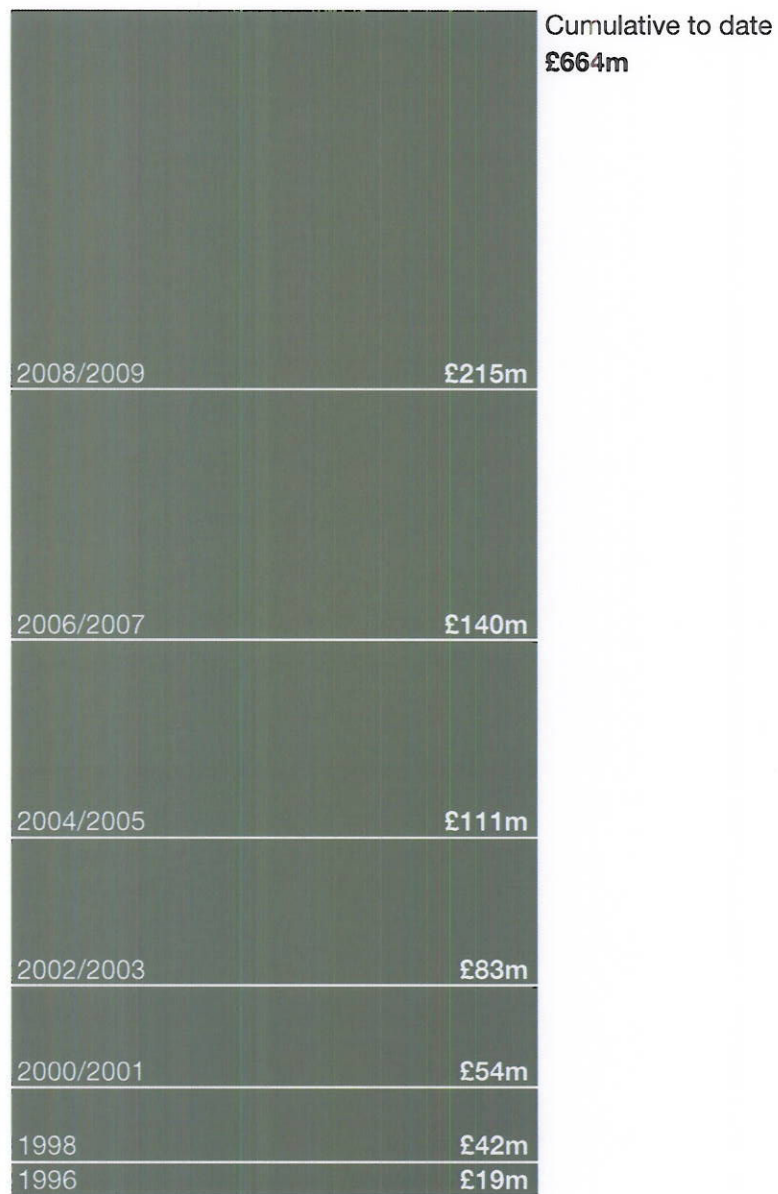
- Local public bodies in Northern Ireland, Scotlandⁱ and Wales took part in the NFI 2008/09 on an extended basis and found frauds and overpayments of over £31 million (Figure 2).
- Almost 100 private sector companies and pension schemes are reaping the rewards of joining the NFI.

The recommendations of the previous government's *Fraud Review* in 2006 have not been implemented effectively.

- No government department, and only one government agency, took part in the NFI 2008/09.
- The previous government did not introduce the necessary Orders to extend the NFI to areas other than fraud, as provided for by the Serious Crime Act 2007.

i Audit Scotland did not benefit from the changes to the law in 2007. Although Scottish public bodies continued to participate as part of statutory audits there were additional restrictions on how the data could be used, for example, no cross-border matching was permitted.

Figure 1: Savings identified by the NFI as reported to the Audit Commission by participants



Source: Audit Commission 2010

Recommendations

Local government should:

- ensure that all data sets are submitted to the Commission on time;
- prioritise data matches and follow them up promptly and rigorously;
- promote awareness of the NFI among senior management and outside the finance directorate;
- engage elected members and non-executives more effectively in the NFI, for example, by nominating a lead member and through regular reporting;
- ensure that the NFI is integral to the overall corporate arrangements put in place for tackling fraud;
- improve their expertise when investigating immigration fraud to bring cases to a successful conclusion;
- recover previous years' discounts when council tax single person discount has been wrongly awarded; and
- improve communications between different departments, so that information about deceased persons is passed promptly to all those having contact with local residents.

Pension funds should:

- prioritise and investigate promptly those data matches where pensions appear to be paid to deceased persons.

The UK Border Agency should:

- share its expertise with councils and other organisations in helping them to tackle immigration fraud.

The government should:

- exercise the existing statutory power to require government departments and their arm's-length bodies to take part in the NFI; and
- lay the Order to extend the NFI to areas other than fraud such as arrears recovery.

Housing associations should:

- take part in future NFI exercises to show their commitment to fighting fraud.

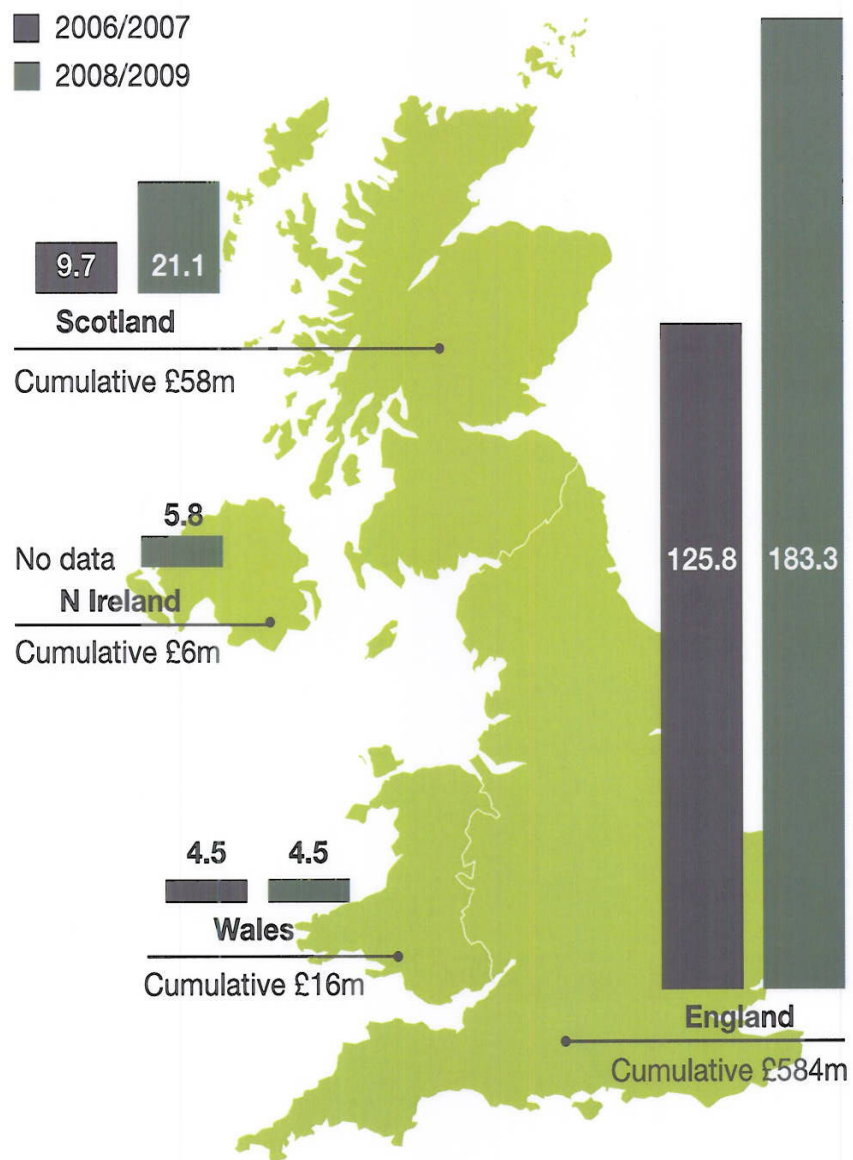
The Tenants Services Authority should:

- continue to encourage all housing associations to take part in the NFI.

The Audit Commission will develop the NFI by:

- addressing new and emerging fraud risks, such as false claims for empty property discounts, abuse of blue badges (multiple badges) and incorrectly enhanced injury pension payments to retired police officers and firefighters;
- involving a wider range and larger number of organisations in future exercises; and
- placing greater emphasis on fraud prevention, such as including housing waiting list data to prevent persons not entitled to social housing from obtaining a tenancy.

Figure 2: **Successfully detected fraud, overpayments and errors (£m)**
 Cumulative total over period of NFI (1996-2010) £664m



Source: Audit Commission 2010

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Both these documents are available on our website.

We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email: nationalstudies@audit-commission.gov.uk

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Timetable

A timetable, from collection of data through to distribution of matches, is set out below.

2010/11 timetable			
Activity	Who	How	Timing
Issue the data specifications for each data set	NFI Team (AC)	The data specifications are now permanently available on the NFI web page. An email link will also be sent to all Key Contacts as a reminder.	By Wednesday, 31 March 2010
Confirm users to be rolled over to 10/11 web application	Key Contact	Key Contact will be required to confirm which 2008/09 users will require access to 10/11 web application.	By 28 May 2010
Confirm contact details for the 2010/11 exercise	Director of Finance / Key Contact	New participants: The Director of Finance (or Senior responsible Officer) for your organisation should nominate an appropriate Key Contact by email to nfiqueries@audit-commission.gov.uk . Existing participants: Director of Finance (or Senior responsible Officer) will be required to confirm Key Contacts. Key Contacts will be required to confirm users.	From Wednesday, 16 June 2010 onwards
Force a password reset for the 2010/11 web application	NFI Team (AC)	The first time users log on to 2010/11 web application they will be forced to change their password.	From Wednesday, 16 June 2010 onwards
Issue the instructions to bodies participating in NFI 2010/11	NFI Team (AC)	The instructions are now permanently available on the NFI web page. An email link will also be sent to Directors of Finance and 2010/11 Key Contacts as a reminder.	By Friday, 25 June 2010
Check the list of expected data sets	NFI Key Contact	Log in to the 2010/2011 web application and check the list of expected datasets is accurate for your particular organisation (select 'DFU' from the Home page). Submit any changes to the list by Monday 2 August 2010.	By Monday 2 August 2010

2010/11 timetable

Activity	Who	How	Timing
Confirm who the web application users will be	NFI Key Contact	Key Contacts should ensure the person(s) responsible for uploading data has a user account on the web application. Users responsible for reviewing matches can also access the training modules in preparation for the 28 January 2011 release.	By Monday, 1 September 2010 and when changes occur
The fair processing compliance returns are submitted	Key contact	Submissions are made via the NFI website (external site) . Submission guidance can be found within the help menu labelled 'Form 3 - Fair processing compliance return'.	By Monday, 27 September 2010
The data is extracted from the participant systems in accordance with the data specifications	Key contact / User (data upload)	There is a separate data specification for each data set collected. These specifications can be accessed from the detailed.	Monday, 4 October 2010
The live data is uploaded to the NFI web application	Key contact / User (data upload)	The data is uploaded within the web application via the 'Data file upload' function.	From Monday, 4 October 2010*
The 2010/11 exercise matches are available	NFI Team (AC)	An email link will also be sent to Directors of Finance and 2010/11 Key Contacts as a reminder informing them that the matches are available.	From Tuesday, 25 January 2011

* A series of reminders will be issued from 11 October 2010.

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Agenda Item 4.4

Committee: Standards Committee	Date: October 2010	Classification: Exempt	Report No:	Agenda Item:
Report of: Corporate Director of Resources Originating officer(s) Mark Abrahams, Service Head Procurement & Corporate Programmes (Interim)		Title: Monitoring Implementation of the Ethical Governance Protocol for Council Contracts Wards Affected: All		

1. **SUMMARY**

- 1.1 Following earlier reports submitted to the Standards Committee in October 2008, July 2009, and February 2010, this report provides an update regarding further progress on the adoption of the Ethical Governance Protocol by suppliers.

2. **RECOMMENDATIONS**

The Standards Committee is recommended to:-

- 2.1 Note the contents of this report.

3. **BACKGROUND**

- 3.1 The Council has adopted an Ethical Governance Protocol (EGP) for Council contracts which forms part of the pre-tender evaluation process, which all suppliers are required to follow when seeking to contract with the Council. Since Autumn 2008, the Procurement Service has been requiring adoption of the Protocol in all Tenders, and has been monitoring adoption by suppliers of the Protocol. Additionally, throughout 2010 the Council has been implementing its Requisition-to-Pay (R2P) e-procurement system. The use of such technology has enabled Officers to monitor the protocol to a far greater extent than was previously possible, as detailed within this report.

4. **EGP Survey**

- 4.1 R2P presented an opportunity to extend the implementation of the EGP due to its enhanced ability to manage supplier details; new suppliers are required to note their acceptance of the Protocol before being created on the system. However, given that the approach for such suppliers is not subjected to the same degree of scrutiny applied within the tendering process whereby

copies of specific policies would be evaluated in depth, research has been carried out to establish the extent to which the suppliers created on the system do actually comply with the Protocol.

4.2 A survey was carried out during May 2010 in order to establish the compliance with the Protocol. The survey ascertained compliance levels in four key areas of the Protocol;

4.2.1 The conduct of employers and their Directors

4.2.2 The working relationships between their employees / Directors and Council staff / Elected Members

4.2.3 The existence of a whistle blowing policy

4.2.4 The impact of planning / licensing codes upon the way business is carried out

A total of 248 responses were received, the findings of which can be found at Appendix A. However, in conclusion it indicated that there is high level of compliance, with positive responses being noted for 4.2.1, 4.2.2, and 4.2.3 above of circa 80%, 60%, and 70% respectively.

4.3 The survey will be carried out bi-annually, the next survey being due in November 2010. Additionally, more research is needed in order to better understand correlation between the responses given and the different types of respondent organisations. It should also be remembered that in general the survey methodology does have limitations; responses could be disingenuous, be subject to survey errors, is only a snapshot of a given period, and further does not confirm whether policies are up to date, etc. Nevertheless, it does afford a cost effective assurance of widespread compliance.

4.4 Moving forwards, the R2P system will enable a far greater understanding of our supplier base; early indications are that there is a constant state of flux within some areas of the base, possibly influenced by the shorter longevity of smaller businesses, which may have implications for the protocol. Whilst further work is also needed in this area, it is believed this knowledge will guide appropriate methods of policy application.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

5.1 This report provides an update of the progress the Council has made with the adoption of the Ethical Governance Protocol by suppliers.

5.2 The purpose of the procurement process is to ensure that best value is achieved with public money, and ethical practices are important to that judgement. Value for money from better procurement is an integral part of the Council's financial strategy.

5.3 There are no specific financial implications emanating from this report and any additional costs that arise from implementing this report must be contained within existing revenue budgets.

6. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

6.1 There are no legal implications of this report.

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 The adoption of a standard ethical governance protocol by key suppliers is important in achieving a consistent, ethical approach in service delivery. As many of the Council's essential services are delivered by external suppliers, it is imperative that the suppliers maintain the same high standards required of the Council. Monitoring of compliance will be an ongoing periodical activity.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no specific sustainability implications

9. RISK MANAGEMENT IMPLICATIONS

9.1 The main risk management implications are in relation to reputational risk, in the event that a key supplier's ethical standards are found to be unsatisfactory.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no specific implications.

11. EFFICIENCY STATEMENT

11.1 The use of the electronic R2P system, combined with internet based data research tools, have enabled the analysis within this paper to be conducted in a cost effective fashion. The periodic collection of data further allows for economies of scale to lever efficiencies.

List of “Background Papers” used in the preparation of this report

Brief description of “background papers”

Name and telephone number of holder and address where open to inspection.

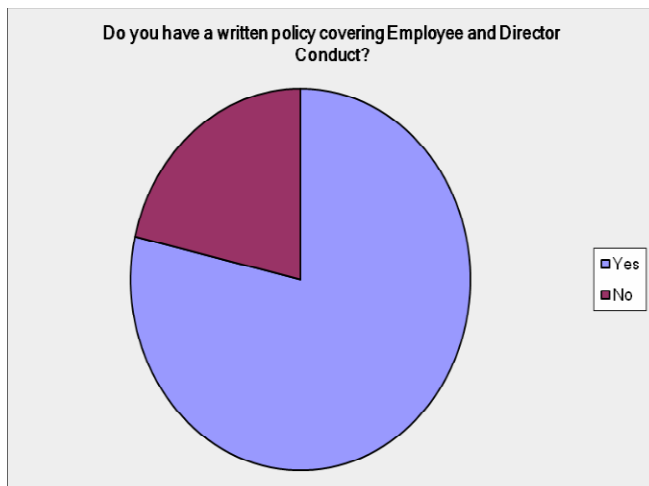
None

12. APPENDICES

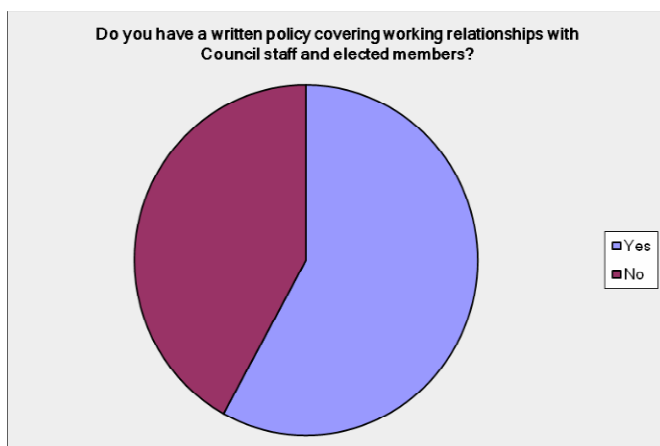
Appendix 1 – Protocol Survey Findings, May 2010.

Appendix 1 – Protocol Survey Findings, May 2010.

Do you have a written policy covering Employee and Director Conduct?		
Answer Options	Response Percent	Response Count
Yes	78.6%	173
No	21.4%	47
<i>answered question</i>		220
<i>skipped question</i>		28

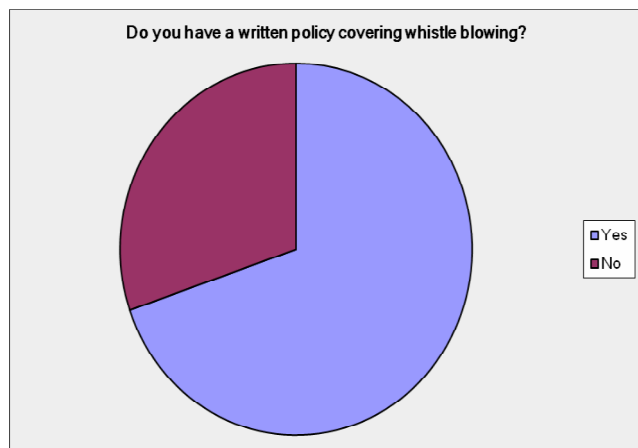


Do you have a written policy covering working relationships with Council staff and elected members?		
Answer Options	Response Percent	Response Count
Yes	58.0%	119
No	42.0%	86
<i>answered question</i>		205
<i>skipped question</i>		43



Do you have a written policy covering whistle blowing?

Answer Options	Response Percent	Response Count
Yes	69.7%	140
No	30.3%	61
<i>answered question</i>		201
<i>skipped question</i>		47



Does the Council's planning and Licensing Codes of Conduct impact upon the manner in which you do business with the Council?

Answer Options	Response Percent	Response Count
Yes	7.9%	15
No	52.1%	99
n/a	40.0%	76
<i>answered question</i>		190
<i>skipped question</i>		58

Agenda Item 4.5

COMMITTEE: Standards	DATE: October 2010	CLASSIFICATION: UNRESTRICTED	REPORT NO.	AGENDA ITEM NO.
REPORT OF: Isabella Freeman Assistant Chief Executive		TITLE: CORPORATE COMPLAINTS Half Year Report		
ORIGINATING OFFICER(S): Ruth Dowden Corporate Complaints Manager		2010 / 2011 Wards Affected: ALL		

1. **SUMMARY**

- 1.1 This report contains a summary of complaints received by the Council in the period 1 April 2010 to 31 September 2011 through the Corporate Complaints Procedure, Adults and Children's Social Care Complaints Procedures, and those received and determined by the Local Government Ombudsman in the same period.
- 1.2 In general, improvements in complaint response times and early resolution of complaints are noted through the Corporate Complaints Procedure and by the Local Government Ombudsman.
- 1.3 The Service was awarded re-accreditation under the Customer Service Excellence scheme, (the new Chartermark) in March 2010 as part of the Customer Access Department.

2. **RECOMMENDATIONS**

- 2.1 Members are asked to note the contents of the report.

3. **EXECUTIVE SUMMARY**

- 3.1 Complaints reports are considered by the Standards Committee twice a year and this is the half year update. Six monthly reports are also considered by the Overview and Scrutiny Committee.
- 3.2 The report covers the Corporate Complaints procedure which deals with all matters not subject to an alternative means of review or appeal; the statutory Adults Social Care procedure; statutory Children’s Social Care complaints procedure; and complaints received by the Local Government Ombudsman. Each procedure will be addressed in the following sections.
- 3.3 Under each procedure volumes are reported by directorate (and where appropriate by service) and compared to previous periods, as are response times against the target timeframe. Additionally, where complaints are upheld, a brief summary of the key issues is included.
- 3.4 In general complaints volumes have fallen in the period and response times have been very good.

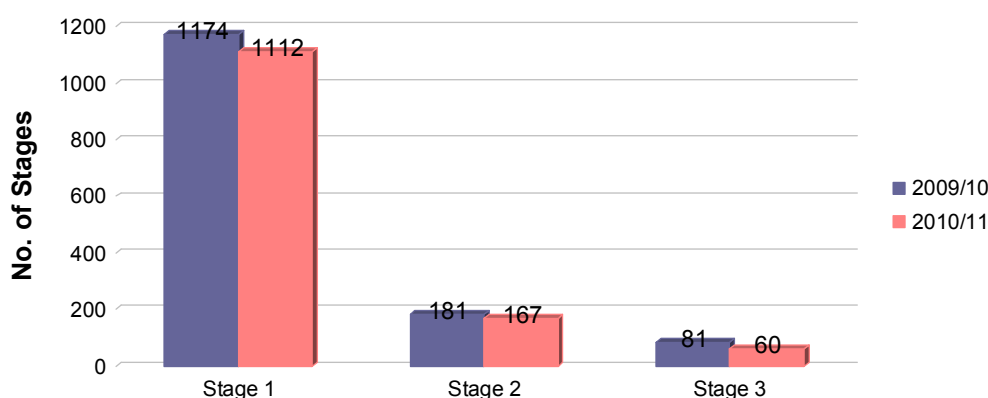
4. **CORPORATE COMPLAINTS**

4.1 Volumes

Figure 1 indicates the volume of corporate complaints received Council-wide, comparing the first six months of 2010/11 with the preceding six months.

- 4.2 There is a small fall in Stage 1 complaints overall and more significant falls in stages 2 & 3.

Figure 1: Corporate complaints volumes



- 4.3 The escalation rate of complaints is shown in figure 2, below. In addition to volumes falling, proportionately fewer are progressing to stages 2 and 3.

Figure 2 Percentage of Stage 1 Complaints Escalated to Stage 2 and 3

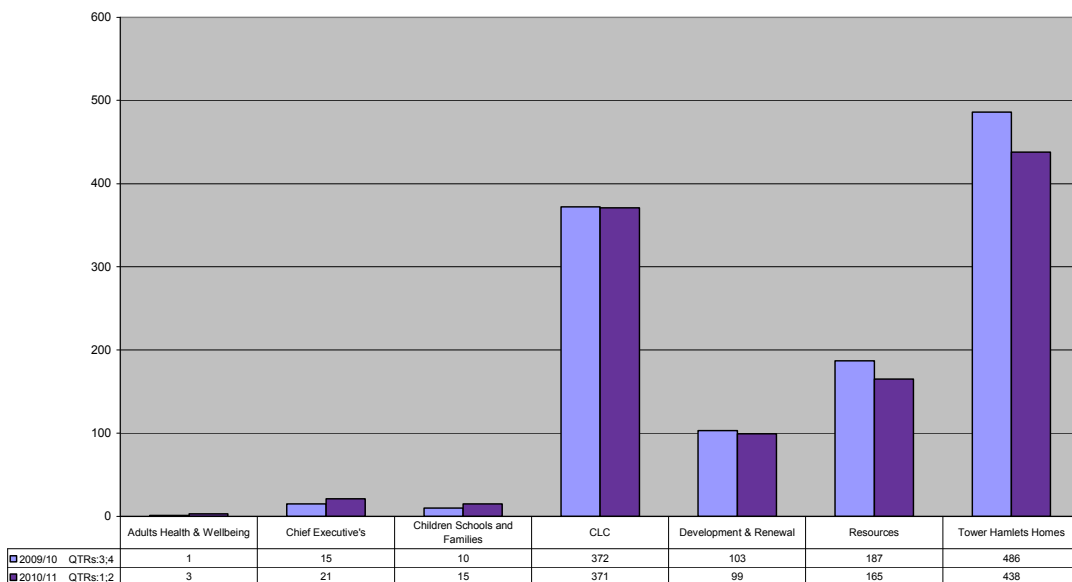
	Escalated to Stage 2	Escalated to Stage3
2 nd half 2009/10	15.4%	6.9%
1 st half 2010/11	15%	5.4%

4.4 Stage 1 Complaints

A breakdown of Stage 1 complaint volumes by directorate is shown in figure 3, and breakdowns by service follow for directorates with larger volumes,.

Figure 3

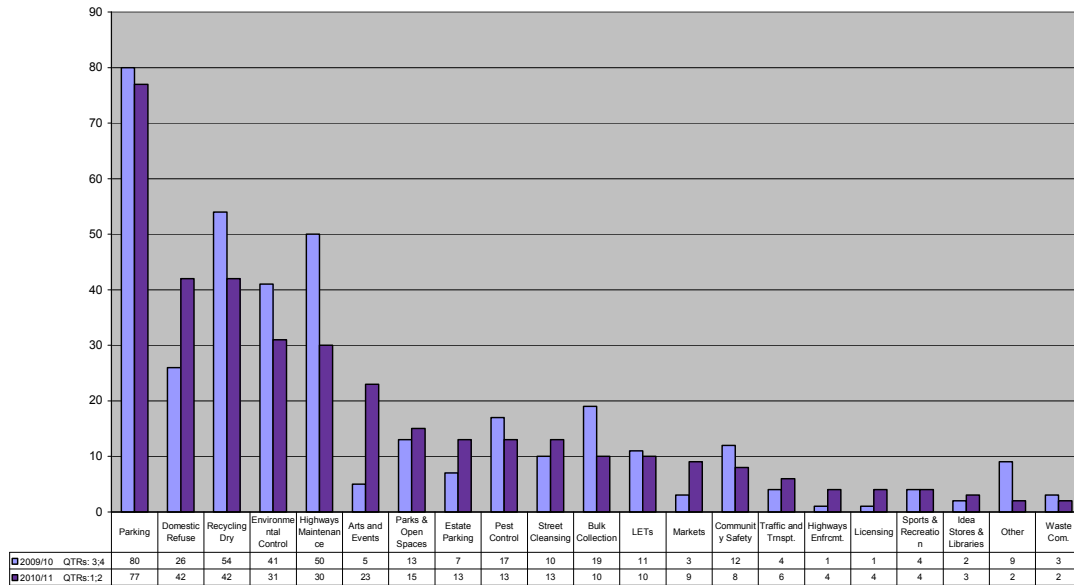
Stage 1 Corporate Complaints by Directorate



4.5 Most Adults Health and Wellbeing and Children Schools and Families complaints fall under the statutory Social Care complaints procedures (see sections 5 and 6 respectively). Volumes for Chief Executive’s directorate are also small. The rise in complaints in relation to elections fell around the period of the May elections and have all been reviewed to identify any service delivery issues.

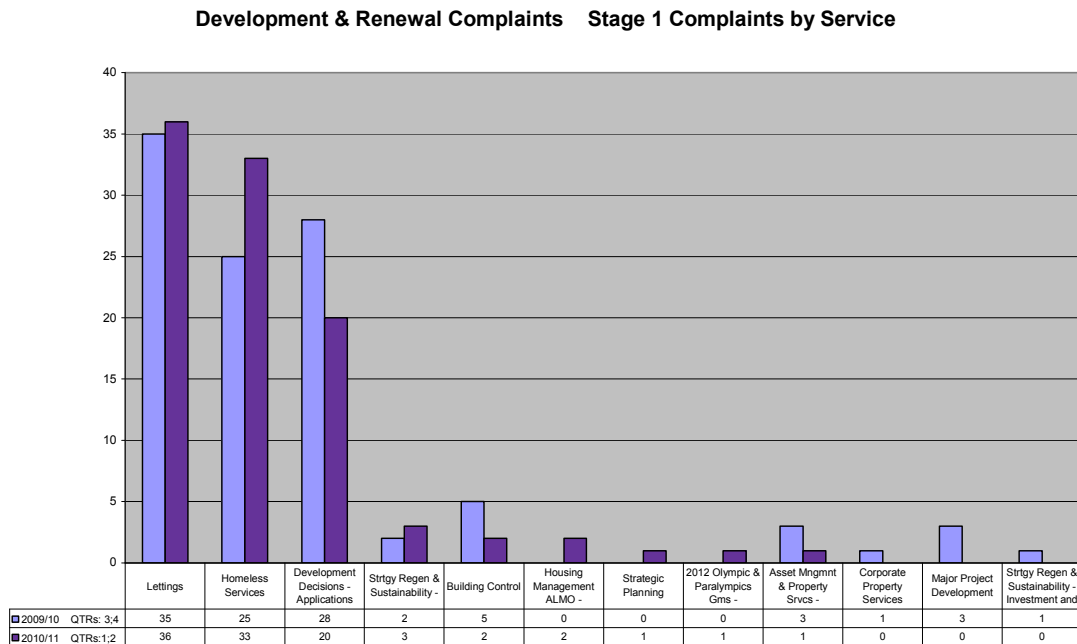
Figure 4

CLC Stage 1 Complaints by Service



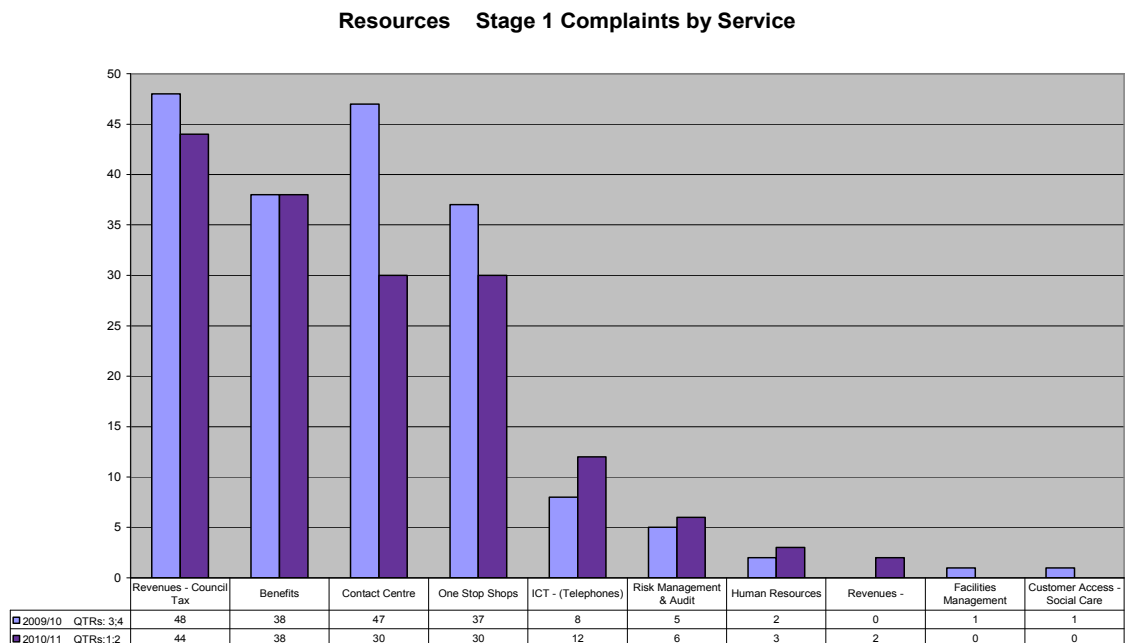
4.6 In Communities Localities and Culture, there has been a reduction in complaints for most services. Arts and events complaints are seasonal and relate mostly to summer open air events. All such complaints are used when reviewing and planning future events. The increase of domestic refuse collection has been referred to the service for examination.

Figure 5 Development & Renewal Stage 1 Complaints by Service



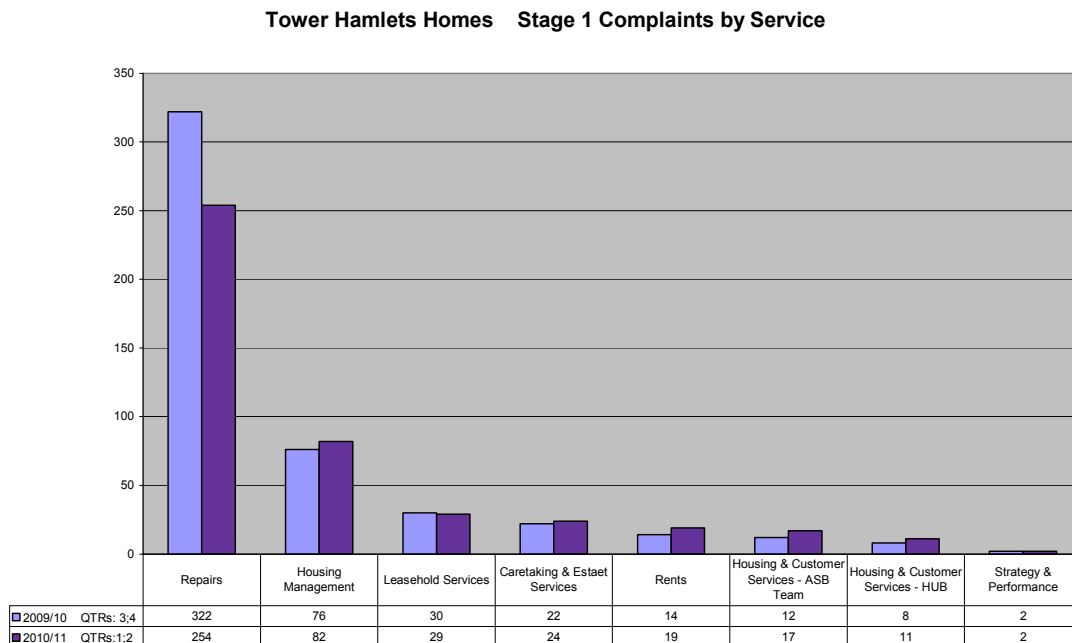
4.7 There is little variance in Development and Renewal complaints and low numbers.

Figure 6



4.8 Following the economic downturn Benefits have seen sustained increases in caseload and workload; however complaints have remained at constant level over the period. In all other areas complaint numbers continue to fall.

Figure 7



4.9 Tower Hamlets Homes have seasonal variation in repairs complaints (e.g. winter heating); this along with all other areas are still achieving a year on year reduction in volumes.

4.10 Having explored the variance in volumes of Stage 1 complaints, it is also important to look at the outcomes. There is a consistently high percentage completed in time, see figure 8 below.

Figure 8

Stage 1 Complaints Response Times							
Financial Year	QTRs:	Total Answered	Completed in Time		Answered outside timescale		Average response times (days)
2009/10	3	566	523	92%	43	8%	7.65
2009/10	4	608	579	95%	29	5%	7.54
2010/11	1	602	554	92%	48	8%	8.07
2010/11	2	510	485	95%	25	5%	7.41

Figure 9 Stage 1 Complaints

Stage 1 Resolutions by Directorate												
	2010/11 QTRs: 1;2	Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On		Completed In Time		Ave Days to Close
Adults Health & Wellbeing	3	0	0%	2	67%	1	33%	0	0%	3	100%	7
Chief Executive's	21	12	57%	5	24%	4	19%	0	0%	18	86%	8
Children Schools and Families	15	4	27%	2	13%	7	47%	2	13%	13	87%	7
CLC	371	220	59%	49	13%	90	24%	12	3%	349	94%	7
Development & Renewal	99	63	64%	13	13%	13	13%	10	10%	68	69%	9
Resources	165	68	41%	58	35%	34	21%	5	3%	158	96%	6
Tower Hamlets Homes	438	227	52%	7	2%	199	45%	5	1%	430	98%	9
Total Stage 1 Complaints	1112	594	53%	136	12%	348	31%	34	3%	1039	93%	8

4.11 Table 9 above shows the resolution of complaints by directorate and for the Council as a whole. In general terms about 43% of stage 1 complaints are upheld in some part.

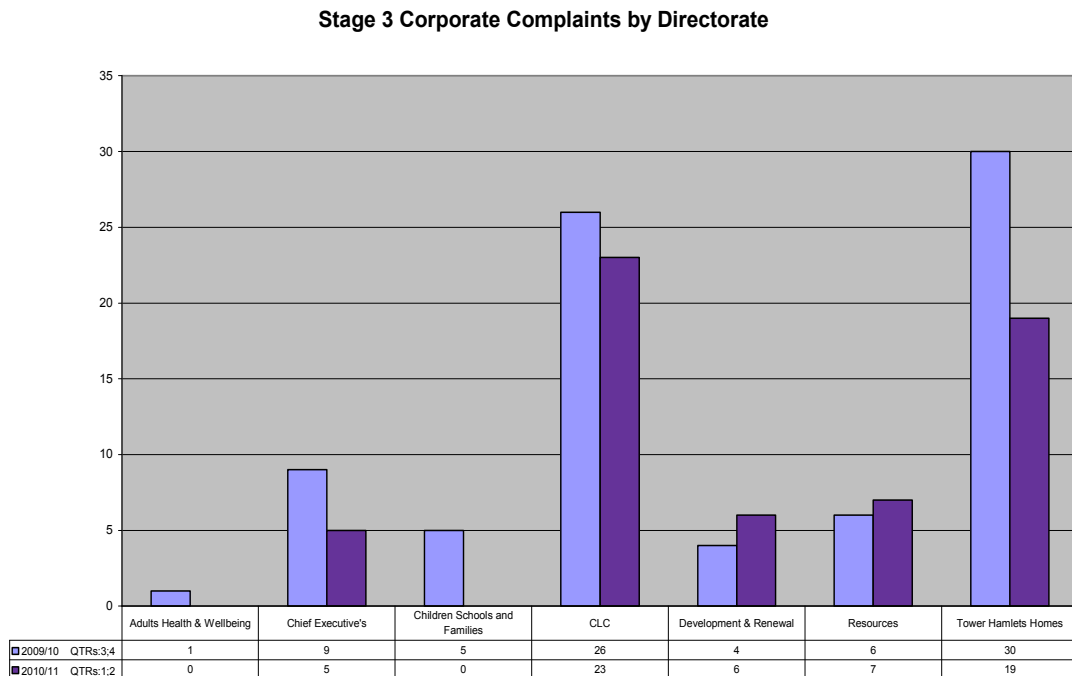
4.12 Work has been undertaken to examine the progression of complaints through the stages and whether the resolution changes as the matter progresses. An action plan is in early stages to consider how this can inform our approach to complaints and improve the customer experience.

4.13 In this half year report we will not focus on stage 2 complaints in any detail, other than the volumes reported in sections 4.1 to 4.4.

4.14 Stage 3 complaints

Figure 10 below shows the volume of Stage 3 complaint by each Directorate.

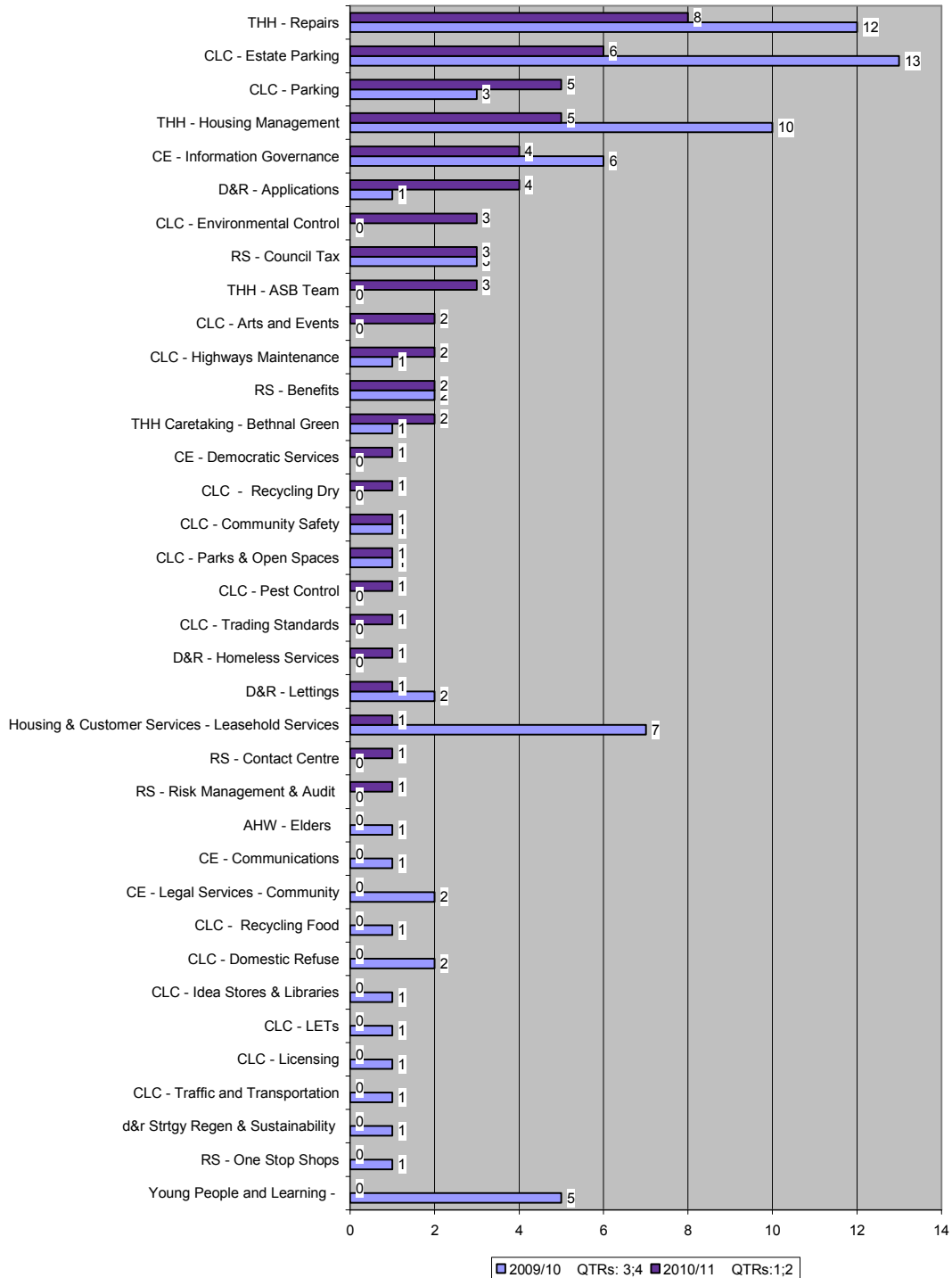
Figure 10: Stage 3 complaints



4.15 The detailed chart below (figure 11) indicates which services the complaints fall in. The highest volumes fall under Estate Parking where Estate Parking Appeals are now considered at Stage 3, Repairs, Parking control and Housing management. However it should also be noted that, as with most other services there were also generally reductions in complaints volumes for these services too.

Figure 11

Stage 3 Complaints by Service Issue



4.16 The proportion of complaints upheld in some part is around 43%. See figure 12 below.

Figure 12: Stage 3 Complaints Resolution

Stage 3 Resolutions by Directorate												
	2010/11 QTRs: 1;2	Not Upheld		Partially Upheld		Upheld		Withdrawn or Referred On		Completed In Time		Average Days to Complete
Adults Health & Wellbeing	0	0	-	0	-	0	-	0	-	0	0%	-
Chief Executive's	5	3	60%	0	0%	1	20%	1	20%	4	80%	17
Children Schools and Families	0	0	-	0	-	0	-	0	-	0	-	-
CLC	23	15	65%	2	9%	5	22%	1	4%	19	83%	17
Development & Renewal	6	5	83%	1	17%	0	0%	0	0%	5	83%	19
Resources	7	3	43%	3	43%	1	14%	0	0%	6	86%	16
Tower Hamlets Homes	19	6	32%	6	32%	7	37%	0	0%	18	95%	16
Total Stage 3 Complaints	60	32	53%	12	20%	14	23%	2	3%	52	87%	17

4.17 The proportion of Stage 3 complaints completed in time has risen to 87%, in part due to the slightly lower caseload.

5 ADULTS SOCIAL CARE COMPLAINTS (Statutory)

- 5.1 In April 2009 new legislation regulating the handling of Adults Social Care Complaints came into force. This legislation moves away from the previous 3 stage process and fixed time scales for investigation.
- 5.2 It allows one single stage of investigation and close liaison with the complainant to ensure that the complaint is effectively understood and the scope of the investigation is agreed. This includes the best means of investigating and resolving the issues, who will be involved and how long it might take.
- 5.3 The type of investigation and time taken must be proportional to the complexity of the complaint, but will make comparisons between complaints and performance measures difficult.
- 5.4 It also places a responsibility to cooperate and when required undertake joint investigations of matters overlapping with health provision or other care providers.
- 5.5 The legislation places the complainant at the heart of the process and stresses the need to resolve matters to the complainant's satisfaction. The review will seek to identify whether there has been an impact on service based resolution of matters prior a formal complaint being registered

Figure 13 Adults Social Care Complaints

	2008/09 QTRs: 3;4 (Stage 1)	2009/10 QTRs: 1;2	2009/10 QTRs: 3;4	2010/11 QTRs: 1;2
Elders	9	7	5	9
OT Services	8	4	0	3
Disability & Health	1	2	1	3
Resources	4	1	1	0
Learning Disability	2	0	2	2
Commissioning	0	1	0	2
TOTAL	24	15	9	19

5.6 In order to obtain a better picture of fluctuating complaints levels, two years' data is reported in figure 13 for Adults Social Care complaints. Revised publicity for the new procedure was launched in January 2010.

Figure 14 Response Times

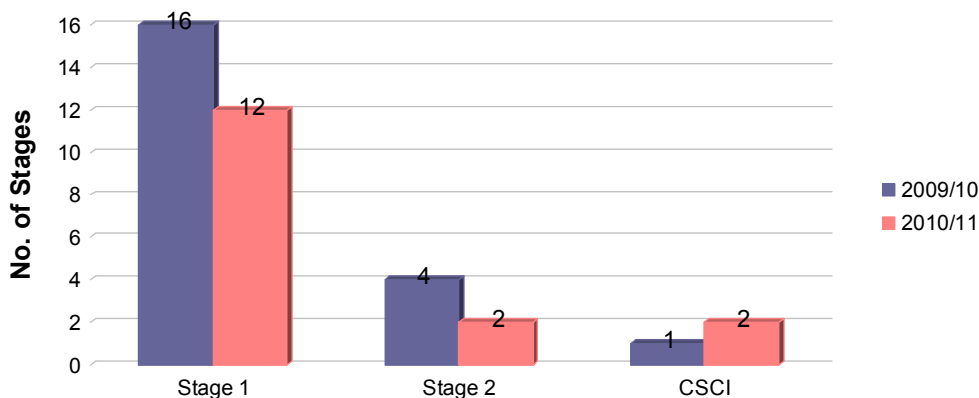
Adults Social Care Complaints - By Performance										
Complaints Answered	Totals	Within 10 working days		Within 20 working days		Within 30 Working Days		Within 40 Working Days		Average Days to Complete
2009/10 QTRs: 3	8	4	50%	4	50%	0	0%	0	0%	12
2009/10 QTRs: 4	1	0	0%	1	100%	0	0%	0	0%	14
2010/11 QTRs: 1	4	2	50%	1	25%	1	25%	0	0%	15
2010/11 QTRs: 2	15	7	47%	4	27%	1	7%	3	20%	16

- 5.7 Without fixed response times for this procedure, the Council is monitoring complaints under 10, 20, 30 etc working days. Whilst most complaints considered under this procedure have been resolved in less than 20 working days, three complaints took up to 40 working days.
- 5.8 We are also monitoring on the target agreed with complainant at the start of the investigation. All met the target, with the exception of these 3 complaints. For two of these complaints there were difficulties, beyond officers' control, in coordinating meetings with the complainants and their advocates.
- 5.9 The Complaints Team, and service managers, have put in considerable time and effort to find effective resolution, including holding three-way resolution meetings and negotiating individual outcomes as well as conducting formal investigations.

6 CHILDREN'S SOCIAL CARE COMPLAINTS (statutory)

6.1 Children's Social Care Complaints still follow the statutory 3 stage procedure. Legislation for Children's Social Care complaints allows two target times at each stage. Stage 1 complaints have a target of 10 working days, which can be extended to 20 working days. At Stage 2, the target is 25 working days, which can be extended to 65 working days.

Figure 15: Children's Social Care Complaints



6.2 Efforts to ensure that more complaints are completed in the extended timescale have had a positive effect with 100% of stage 1 complaints completed in 20 days, in the last quarter.

Figure 16

Stage 1 Children's Social Care Complaints - Performance								
	Total	Answered within 10 working days		Answered within 20 working days		Answered outside timescale		Average response times (days)
2009/10 QTRs: 3	7	1	14%	6	86%	1	14%	13
2009/10 QTRs: 4	9	6	67%	7	78%	2	22%	7
2010/11 QTRs: 1	5	2	40%	4	80%	1	20%	9
2010/11 QTRs: 2	7	2	29%	7	100%	0	0%	9

Figure 17

Stage 1 Children's Social Care Complaints by Section											
	2009/10 QTRs: 3;4	Variance		2010/11 QTRs: 1;2		Not Upheld		Partially Upheld		Upheld	
Child Looked After & Leaving Care	3	2	67%	5	42%	1	20%	2	40%	2	40%
Children's Resources	3	-	-67%	1	8%	0	0%	1	100%	0	0%
Fieldwork Services	9	4	-44%	5	42%	3	60%	1	20%	1	20%
Int. Services Children Disability	1	0	0%	1	8%	0	0%	1	100%	0	0%

6.3 At Stage 2, the investigation is monitored by an independent person. Both complaints in the monitoring period were completed outside the extended timescale of 65 working days with one narrowly missing the deadline. These complaints are closely monitored.

Figure 18

Stage 2 Children Social Care Complaints - Performance								
	Total	Answered within 25 working days		Answered within 65 working days		Answered outside timescale		Average response times (days)
2009/10 QTRs: 3	2	0	0%	1	50%	1	50%	49
2009/10 QTRs: 4	2	0	0%	0	0%	2	100%	108
2010/11 QTRs: 1	1	0	0%	0	0%	1	100%	80
2010/11 QTRs: 2	1	0	0%	0	0%	1	100%	68

6.4 Two complaints went to independent review panel. Both were upheld in some part. One was regarding the process of identifying and assessing extended family members to care for a baby, some errors in recording and communication were upheld. The second identified a delay in obtaining equipment for a disabled mother and insufficient time being given for her to read reports and prepare for a case conference. Both are now fully addressed.

7 LOCAL GOVERNMENT OMBUDSMAN (LGO)

7.1 The last meeting of the Committee considered the Ombudsman's Annual Review of the Council's performance in 2009/10. Following publication of the Ombudsman's reviews of other local authorities, we have undertaken a benchmarking exercise across London authorities and will use the findings in this section to place into context the commentary on the current reporting period.

7.2 First Enquiries 2010/11.

Table 19 below sets out by directorate the volume of new Ombudsman complaints and Council's response rates. The volume of matters referred for consideration is lower than in the previous 6 months,

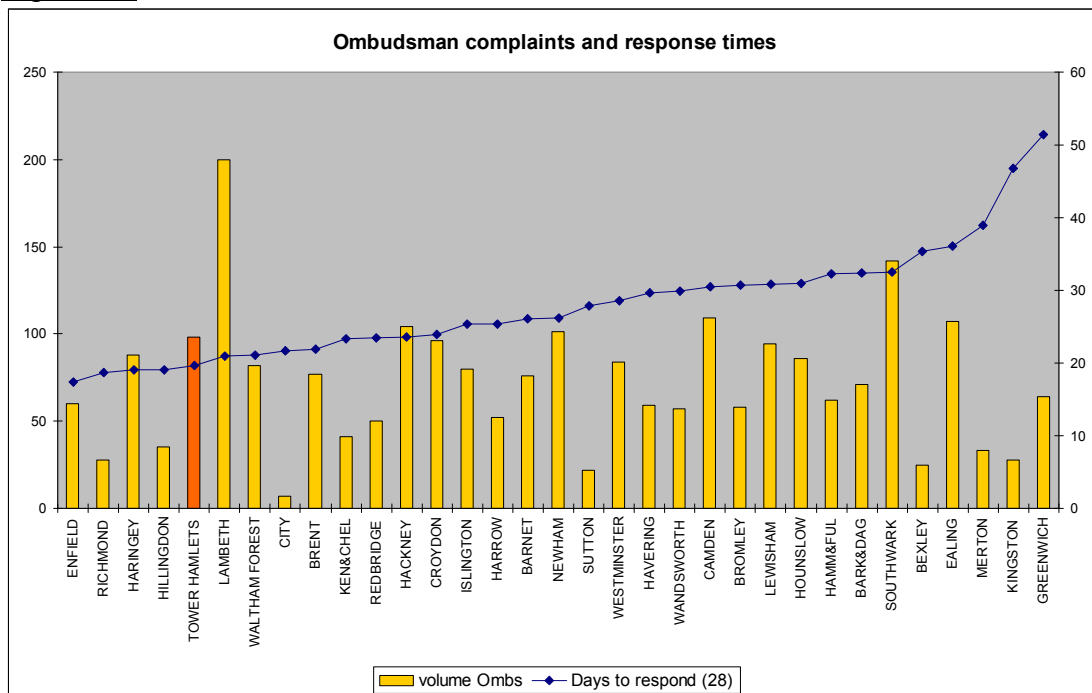
although there appears to be a pattern with fewer complaints in the spring/ summer.

Figure 19: First Response Rates

	number of initial enquiries		% in time	
	2nd Half 2009/10	1st Half 2010/11	2nd Half 2009/10	1st Half 2010/11
Adults Health and Wellbeing	2	0	100%	N/A
Chief Executive's	0	0	N/A	N/A
Children Schools & Families	5	0	100%	N/A
Communities, Localities and Culture	6	6	83%	100%
Development and Renewal	7	7	86%	71%
Resources	2	2	100%	50%
Tower Hamlets Homes	15	4	80%	75%
Total	37	19	86%	80%

7.3 The Council maintains a good response rate, with 80% completed within our stringent response target, although this is a lower percentage than the preceding 6 months.

Figure 20



7.4 The benchmarking data for 2009/10, set out in figure 20 above indicates that Tower Hamlets has the 5th highest response rate in London. Work is ongoing to ensure that this is repeated this year.

7.5 Local settlements were few, although it is usually advisable to view Ombudsman findings over a full year to see any trends. The Council has sought the early resolution of complaints where there is some indication of

fault, or where it is appropriate to pay compensation or make a gesture of goodwill to improve the complainant's position.

Figure 21

	Total	Report Maladministration	Local Settlement	No Maladministration	Ombudsman Discretion	Out of Jurisdiction	Premature
2nd Half 2009/10	58	0	10	22	10	8	10
1st Half 2010/11	42	0	10	15	6	4	7

Figure 22

Ombudsman Local Settlements by Directorate and Service Issue			
Directorate	Division	2009/10 QTRs: 3;4	2010/11 QTRs: 1;2
Adults Health & Wellbeing	Learning Disabilities	0	1
Children Schools and Families	Children's Social Care	1	1
Children Schools and Families	Young People and Learning	1	0
CLC	Estate Parking	2	2
CLC	Parking	1	1
Development & Renewal	Applications	0	1
Resources	Benefits	0	1
Tower Hamlets Homes	Leasehold Services	1	1
Tower Hamlets Homes	Housing Management	2	1
Tower Hamlets Homes	Repairs	4	0
Totals		12	9

7.6 The local settlements achieved were as follows:

Housing

An unusually complex Right to Buy case was concluded by offering £500 compensation for poor information and delay.

Compensation of £100 was paid in respect of delay in resolving noise nuisance between neighbours.

Benefits

£150 was paid in compensation following a delay to progress an appeal.

Parking

Two issues of delay resulted in the cancellation of charges. In another case the Council agreed to review the stationary for Penalty Charge Notices to clarify the appeals procedure.

Children's

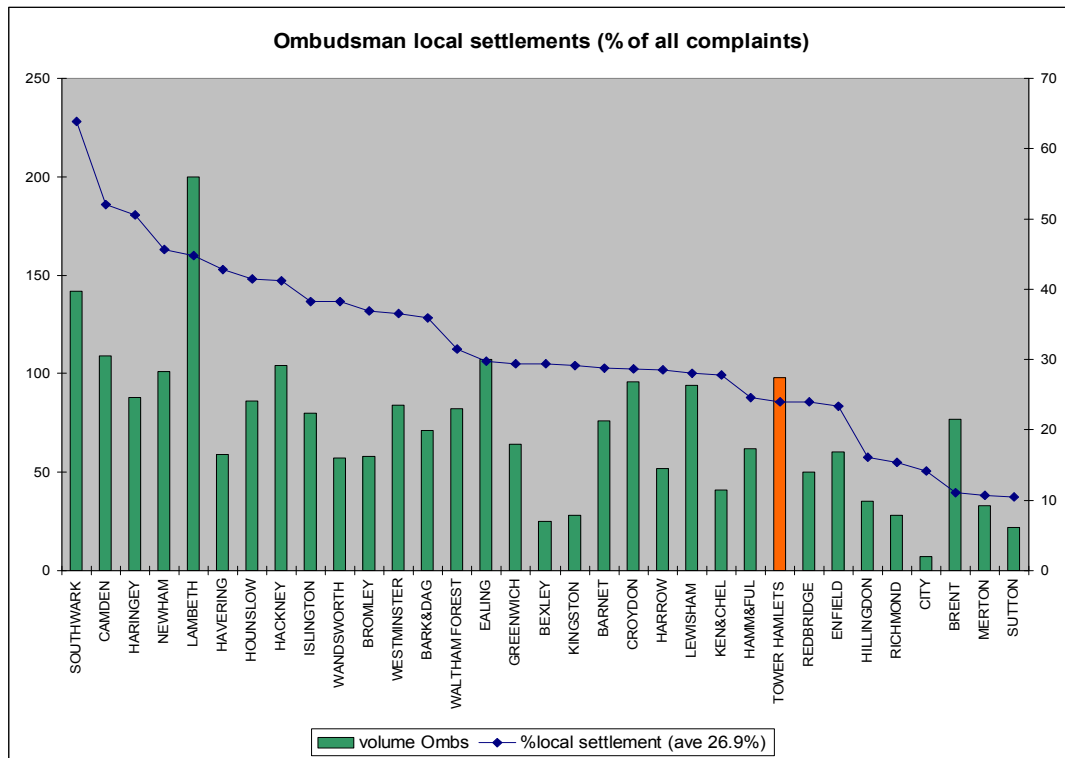
Compensation was issued for some issues referred to earlier in the report under the statutory procedure, where complaints were upheld through the internal process.

Adults

£1000 was awarded to a disabled person following missed homecare visits.

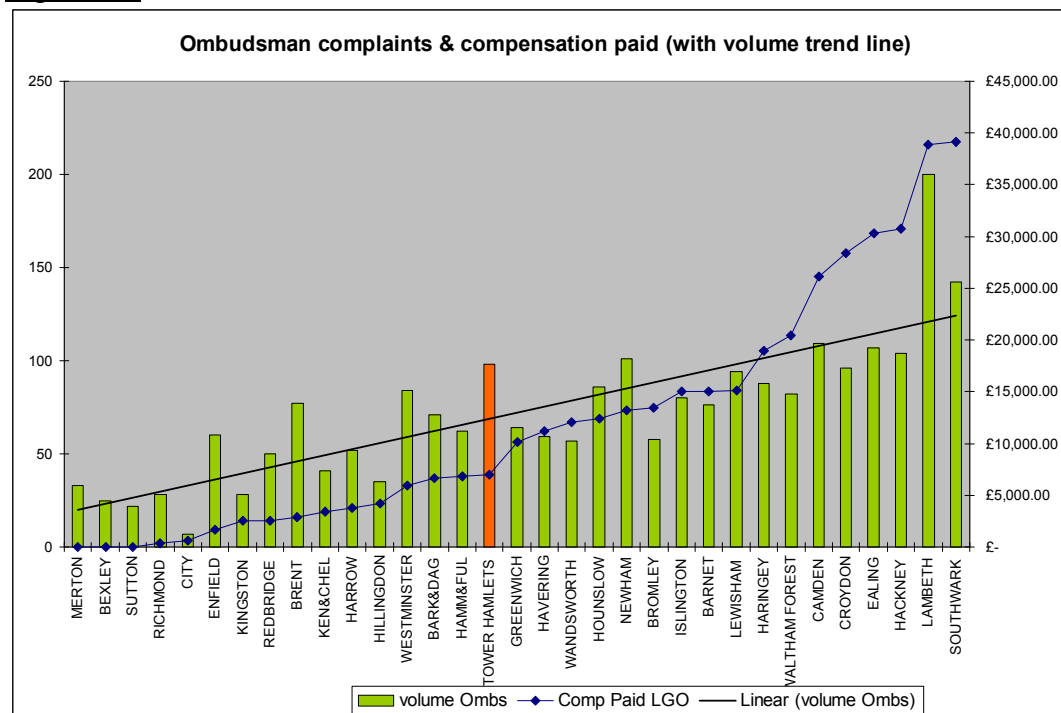
7.7 Benchmarking across London for 2009/10 also indicated that the proportion of complaints settled by Tower Hamlets (24%) is low against the national average (26.9%) and across London, where Tower Hamlets ranks 9th lowest.

Figure 23



7.8 The levels of compensation paid in 2009/10 were also considerably lower than other London authorities. Tower Hamlets paid a total of £6,950, and the average payment across London was £12,089. See figure 24 below.

Figure 24



8 SUMMARY

- 8.1 The Council's Corporate Complaints Procedure is assessed as compliant with the Customer Services excellence award.
- 8.2 Procedures are subject to ongoing review and with particular interest are the changes in Adults Social Care complaints now under new statutory procedure.
- 8.3 Measures are in place to ensure that issues with significant implications for the Council or indicating impropriety are dealt with promptly and appropriately.
- 8.4 External review through the Ombudsman continues to indicate effective internal mechanisms for resolving complaints. The Council compares well with other London authorities.

9. **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 9.1 Service procedures and quality checks are designed to minimise the cost of putting service provision right and compensation, but where this is necessary, payment is contained within the Directorate budget.

10. **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)**

- 10.1 Advice is tendered as required on any potential service breach of statutory or other responsibilities and local settlement advocated to avert other legal action.

11 ONE TOWER HAMLETS CONSIDERATIONS

- 11.1 Corporate Complaint Procedures have been subject to Equalities Impact Assessments and endeavour to capture data on the six equalities strands. Each complaint is considered in the light of any perceived discrimination and monitoring data is analysed annually to considered any wider trends or implications.
- 11.2 Continuing publicity, and analysis of levels of awareness of the process within the community, will ensure that all residents and service users will have better awareness of their right to voice any concerns.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 12.1 The are no key considerations

13. RISK MANAGEMENT IMPLICATIONS

- 13.1 Risk is managed through the internal review processes, and where appropriate legal and risk management advice is sought when considering complaint resolution.

14 EFFICIENCY STATEMENT

- 14.1 Where appropriate, service improvements and efficiencies are proposed and considered by the relevant services.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**