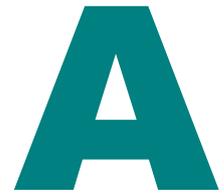




HILLINGDON
LONDON



Corporate Services, Commerce and Communities Policy Overview Committee

Councillors on the Committee

Richard Mills (Chairman)
Wayne Bridges (Vice-Chairman)
Lindsay Bliss
Nicola Brightman
Farhad Choubedar
Alan Deville
Jazz Dhillon
Scott Farley
Martin Goddard

Date: TUESDAY, 14 JANUARY
2020

Time: 7.30 PM

Venue: COMMITTEE ROOM 5 -
CIVIC CENTRE, HIGH
STREET, UXBRIDGE

**Meeting
Details:** Members of the Public and
Media are welcome to attend.

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Published: Monday, 6 January 2020

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Putting our residents first

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Phase II, Civic Centre, High Street, Uxbridge, UB8 1UW

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Terms of Reference

The Following Terms of Reference are common to all Policy Overview Committees (referred to as “The overview role”):

1. To conduct reviews of policy, services or aspects of service which have either been referred by Cabinet, relate to the Cabinet Forward Plan, or have been chosen by the Committee according to the agreed criteria for selecting such reviews;
2. To monitor the performance of the Council services within their remit (including the management of finances and risk);
3. To comment on the proposed annual service and budget plans for the Council services within their remit before final approval by Cabinet and Council;
4. To consider the Forward Plan and comment as appropriate to the decision-maker on Key Decisions which relate to services within their remit (before they are taken by the Cabinet);
5. To review or scrutinise decisions made or actions taken by the Cabinet, a Cabinet Member, a Council Committee or an officer.
6. To make reports and recommendations to the Council, the Leader, the Cabinet, a Policy Overview Committee or any other Council Committee arising from the exercise of the preceding terms of reference.
7. In accordance with the Local Government and Public Involvement in Health Act 2007, to consider ‘Councillor Calls For Action’ (CCfA) submissions.

To perform the policy overview role outlined above in relation to the following matters:

1. Democratic Services
2. Localism
3. Central Services, incl. Human Resources, ICT, Communications & Legal Services
4. Capital programme, property, construction & facilities management
5. Financial Planning & Financial Services
6. Enforcement and anti-fraud activities
7. Procurement
8. Performance Improvement
9. Economic development & town centres and regeneration
10. Local commerce, employment, skills and job creation
11. Local Strategic Partnership and Sustainable Community Strategy;
12. Community engagement, partnerships and the voluntary sector
13. Equalities and Community Cohesion
14. Community Safety
15. Public Safety & Civil Protection
16. Energy use and carbon reduction
17. Health & Safety

Agenda

CHAIRMAN'S ANNOUNCEMENTS

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Minutes

Corporate Services, Commerce and Communities
Policy Overview Committee
Tuesday, 5 November 2019
Meeting held at Committee Room 5 - Civic Centre,
High Street, Uxbridge



Published on:

Come into effect on: Immediately (or call-in date)

Members Present:

Councillors Richard Mills (Chairman)
Wayne Bridges (Vice-Chairman)
Lindsay Bliss
Nicola Brightman
Farhad Choubedar
Alan Deville
Scott Farley
Martin Goddard

Apologies:

Jazz Dhillon

Officers Present:

Sheryl Dixon, Economic Development Officer
Fiona Gibbs, Stronger Communities Manager
David Knowles, Transport & Projects Senior Manager
Inga Spencer, Senior Economic Development Officer
Luke Taylor, Democratic Services Officer

27. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Jazz Dhillon.

28. DECLARATIONS OF INTEREST

There were no declarations of interest.

29. MINUTES OF THE MEETING HELD ON 10 OCTOBER 2019

RESOLVED: That the minutes of the meeting held on 10 October 2019 be agreed as a correct record.

30. EXCLUSION OF PRESS AND PUBLIC

It was confirmed that all items were marked as Part I and would be considered in public.

31. REVIEW C: LOCAL COMMERCE, EMPLOYMENT, SKILLS & JOB CREATION

Mr Mike Langan, Chairman of the Hillingdon Chamber of Commerce, and Mr Jonathan Seymour, Treasurer of the Hillingdon Chamber of Commerce, were in attendance at the meeting to give evidence to the Committee.

Mr Langan confirmed that the Chamber of Commerce was established in 1908, and currently has nine people sitting on the Committee in a voluntary capacity fulfilling various roles.

Councillors were informed that the Chamber had worked alongside the Council on a number of issues over the years, including the decision to introduce 30 minutes of free parking in the high streets across the Borough and a special rate for Hillingdon First card holders. The Chamber also runs a number of networking events with partners, seminars on various topics, and has been involved in the Heathrow summit, which is a supply chain for businesses and obtained contracts from the airlines and airports that has been running for 26 years, and the Chamber holds an annual review every November.

The Committee heard that the Chamber also has an annual event with West London Film Studios, based in the south of the Borough, and an annual barbeque at Brunel University, of which proceeds are donated to the Mayor's Charity, in addition to a yearly visit to the Mayor's Charity. Mr Langan stated that the flagship event for the Chamber of Commerce was its annual Expo, which has run for five years, and a sixth will take place in 2020.

Mr Seymour noted that Hillingdon's economy was made up on 99.3% small and medium-sized enterprises (SMEs), and that the benefits of developing a strong local supply chain were enormous. The Committee heard it was important to prioritise local SMEs to ensure they received work, and this in turn helps to build strong local businesses in the Borough. Additionally, a strong local supply chain leads to more economic growth and minimises the impact on the environment, as the businesses involved are local and the supply chain requires less travel.

Members were informed that the visibility of future projects may help improve the supply chain, as it would allow local businesses to see where large projects take place and who they would be working with, while the ability for local SMEs to engage and work together would also help the supply chain's development.

The Committee asked how the relationship between the Chamber of Commerce and Council was, and were informed that there was a close working relationship, with the recent work on improving shop front in town centres and example of this, along with the work done to help train inexperienced shopkeepers to help them run their businesses.

Responding to Councillors' questioning, Mr Langan noted the Chamber's hopes that the supply chain will bring together the 13,000 plus microbusinesses in the Borough and encourage them to look for bigger contracts. Members heard that this has been achieved using the Heathrow Airport supply chain, which helped to introduce businesses together. Mr Seymour noted that the Chamber of Commerce was funded

by modest subscriptions, and its funding meant it was limited in terms of its reach, so there was no opportunity to develop right now.

Mr Langan noted that there were over 300 members of the Chamber, including affiliated members (about 16 in Hayes and 30-40 in Ruislip Manor), and this was a good proportion, and encouraged other Chambers to also work alongside them.

Councillors questioned whether there were any common concerns among members, and were informed that the most common issue raised for the high streets was business rates. Mr Langan noted that this had been a topic of concern for twenty years, as shops have paid rent and business rates, but big companies have never had to pay rates, which means there is not a level playing field. The Committee also heard that another common concern was getting people to work for them, and the Chamber of Commerce work to help get people ready to work in retail, through work with Brunel University and others. Mr Langan informed the Committee that due to low rates of unemployment in Hillingdon, shops had to look further afield for staff, while Mr Langan believed that roughly 50% of shopkeepers living outside the Borough. Additionally, the uncertainty surrounding Brexit was also a concern for members.

Responding to the Committee, Mr Langan said the Chamber of Commerce retained a strong relationship with a number of schools through the Hayes and Ruislip business forums, but in the rest of the Borough, schools tended to act independently. On occasions, the Chamber of Commerce have gone into schools, but there is a lack of careers advice in some schools. Mr Langan explained that, currently, this was not a priority, as such, but the Chamber would help out where possible, and engaged closely with Brunel University and the Central Research Laboratory (CRL).

Members heard that it, in terms of people coming to the Borough, it was important to look outside the high street and focus on initiatives, such as the CRL. If this formula could be replicated across the Borough, it would lead to a very vibrant economy and a more engaging business community in Hillingdon.

Mr Langan informed the Committee that the area with the largest skills shortage was in construction, and while it was clear that a lot of construction would be taking place across the UK in the last ten to fifteen years, which led to a lot of overseas workers in the industry, as the lack of investment in colleges to train people with the skills needed in construction. Mr Langan noted that there was a big construction academy now established on the Southall Waterside development, and something similar in Hillingdon would be helpful as there is still a large amount of construction taking place in the Borough.

The Committee questioned whether the internet has been a friend or foe to local shops, and were informed that it was seen as a threat to the high streets and was very difficult to compete with. Mr Langan stated that the internet was bad news for high street stores, but in general, Hillingdon was doing well. However, if this were to change, a strategy is needed to help the high streets regenerate if required, and one way of doing this would be to drive traffic into high streets.

Members were informed that planning policy benefitted big stores and local high streets suffered, but the introduction of 30-minute free parking in Hillingdon helped hugely. In addition to this, it was helpful to have services such as doctors and dentists on high streets, and this should be included in planning policy, as it would bring people to the high street and thus shops benefit from the local activity and foot traffic. As such, it was vital that Councils move people towards the high streets to help their survival.

The Committee thanked the witnesses for their time and contributions, and noted the evidence given.

RESOLVED: That the Committee noted the evidence heard at the witness session.

32. COMMUNITY COHESION

The Council's Stronger Communities Manager and Prevent Lead introduced a report that outlined what action the Council took to reach out to all communities to promote cohesion.

Members heard that the promotion of community cohesion by the Council was underpinned by partnerships, not only with other statutory agencies, but also alongside the voluntary sector and diverse communities, and this work is done through partnership working with the Council's communications team, and also events and activities that are provided to Hillingdon residents.

The Council identified three key groups to engage with, and these were women, particularly isolated women from different community backgrounds, faith communities, and children and young people. It was noted that if the work can reach young people, it can often reach their parents, families and wider community.

It is important to ensure that all communities have access to services, and Members heard that it was important to utilise libraries and community events to help people engage, not just from different faith or ethnicities, but also ages, genders and residents with disabilities, as the events were a good way of bringing people together.

The Committee commended the comprehensive report before them, and noted that it highlighted the huge amount of work the Council do on community cohesion.

Responding to Councillors' questioning, the Stronger Communities Manager and Prevent Lead confirmed that the Stronger Communities Partnership, predominantly made up of external partner agencies, meet quarterly and aim to look at how the Council is working to develop its programmes that feed into local strategic priorities.

Members asked how the Council was reaching those women who were not part of women's groups and may have been identified as in need of extra support, and were informed that the Council works alongside a lot of different community organisations and voluntary sector groups, and the library services are also involved in comprehensive work that includes people with dementia or mental health needs. The

Committee heard that activities are promoted by many different areas to bring people together, and community events are a good opportunity for this.

The Stronger Communities Manager and Prevent Lead stated that to reach isolated people in the Borough, many different parts of the Council were involved. It is hard to map exactly where all these opportunities are, but there is a strong grants sector which is funded by the Council that can help to reach out to these people too. Members heard that it building relationships with communities that do not engage the Council.

The Committee were informed that the Stronger Communities Manager and Prevent lead worked alongside colleagues, leading on Hayes Fun Day, and have worked hard to get a lot of people involved. However, across the voluntary sector it is harder to get people to volunteer at events such as the Fun Day, but there is still a good level of diversity that is increasing at the event, despite these challenges.

Responding to questioning from Members, the Stronger Communities Manager and Prevent Lead noted that there used to be a national survey that was used to measure the levels of success with community cohesion, but as this no longer takes place, other measures must be used. The Council considers factors such as social unrest, groups that promote divisive ideals and hate crime, but as there are few instances of this in Hillingdon, it is important to look at other factors that may not be as prevalent as community engagement. The Committee heard that should tensions arise, it was quite usual for communities to come together, but it was difficult to find this fact out before the tensions arose, so it was important to keep tabs on community dynamics with the police to mitigate any issues. However, the way that partnerships work across the Borough was very positive and there were a lot of services on hand to help.

Members asked what action the Council took to prevent disharmony, and were informed that the Stronger Communities Manager and Prevent Lead works with officers and the Police to monitor social media, and where issues arise, look at how the issue was being challenged by others on social media. Councillors heard that it was important to see how others are responding and let the issue play out, and then action to intervene can be taken if necessary, but this action must be a measured response. However, if others from Hillingdon's communities are already challenging this behaviour, it can be much more powerful than a response from the Council. The Committee was informed that officers look at what is going on and escalate where required, but communities must feel empowered to take these issues on themselves, and the Council is good at allowing this.

The Stronger Communities Manager and Prevent lead, responding to questioning, noted that safeguarding children who were not in mainstream education was a challenge, and officers work collaboratively, and be aware of who are utilising venues, before putting early alerts in place should there be concerns, but there are challenges in terms of the Council's statutory powers.

The Committee thanked the Stronger Communities Manager and Prevent Lead for their report, which was noted.

RESOLVED: That the Committee note the report on Community Cohesion.

33. FORWARD PLAN

Members sought clarification on the item regarding Assistance to Hillingdon's Local Voluntary Organisations, regarding the timing and consultation with the Committee, and requested a written update outside of the meeting.

RESOLVED: That the Forward Plan be noted.

34. WORK PROGRAMME 2018/2020

RESOLVED: That the Work Programme 2018/20 be noted.

2019 / 20 BUDGET PROPOSALS FOR SERVICES WITHIN THE REMIT OF CORPORATE SERVICES, COMMERCE AND COMMUNITIES POLICY OVERVIEW COMMITTEE

Committee name	Corporate Services, Commerce and Communities Policy Overview Committee
Officer reporting	Gemma McNamara / Andy Goodwin, Finance
Ward	All.

HEADLINES

1. To comply with the Budget and Policy Framework procedure rules as part of the agreed consultation process for the General Fund and Housing Revenue Account budgets, alongside the Council's Capital Programme, this report sets out the draft revenue budget and Capital Programme for the services within the remit of the Corporate Services, Commerce and Communities Policy Overview Committee, along with indicative projections for the following three years. Following consideration by Cabinet on 17 December 2019, these proposals are now under consultation, and the proposals for each Group are being discussed at the January cycle of Policy Overview Committees.
2. Cabinet will next consider the budget proposals on 13 February 2020, and the report will include comments received from Policy Overview Committees. At the meeting on 13 February 2020, Cabinet will make recommendations to full Council regarding the budget and Council Tax levels for 2020/21, who will meet to agree the budgets and Council Tax for 2020/21 on 20 February 2019.
3. The Committee needs to consider the budget proposals as they relate to the Chief Executive's Office and Finance and to the relevant service areas within Residents Services, but within the corporate context and the constraints applying as a result of the aggregate financial position of the authority.

RECOMMENDATION:

That the Committee note the budget projections contained and comments as appropriate on the combined budget proposals put forward by the Chief Executive's Office and Finance Groups and to the relevant service areas within the Residents Services Group, within the context of the corporate budgetary position.

SUPPORTING INFORMATION

Background

4. The Council continues to operate within the constraints of Government's deficit reduction programme, which has seen a sweeping reduction in Central Government funding since

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2010/11, with 2020/21 being the first year with an improved funding settlement this decade, albeit with increases in expenditure outstripping additional funding. Alongside the reduction in funding since 2010/11, continuing demographic and demand pressures and a return to an inflationary environment over the medium term will necessitate delivery of further substantial savings. The draft budget presented to Cabinet in December 2019 quantified the financial challenge faced by the Council, and outlined an approach to meeting this challenge whilst continuing to 'Put Residents First'.

5. The report to Cabinet on development of the Council's 2020/21 budget, which is presented in the context of a challenging medium term outlook requiring total savings of £41,733k over the three years to 2022/23. Budget proposals for 2020/21 include a fourteenth successive year for supporting over 65s meet their Council Tax liability and includes a number of new investments including a new Leisure Centre in West Drayton, a major programme of investment in the borough's highways, a programme of sports club rebuild / refurbishments, a libraries refurbishment programme, provision for investment in Youth infrastructure and the potential purchase of Uxbridge police station.
6. In order to protect frontline services and continue to provide services that residents value, the 2020/21 budget proposals include a drawdown from General Balances of £6,386k alongside a 3.8% increase in the headline rate of Council Tax, increasing available funding by £4,422k per annum. This comprises a core Council Tax increase of 1.8% based on 90% of the 2% anticipated increase across London, alongside a 2% increase relating to an Adult Social Care Precept to fund ongoing pressures within Adult Social Care, which equates to £43.31 per annum or £0.83 pence per week for a Band D household.
7. Groups have been developing savings proposals sufficient to meet this externally driven budget gap and respond to increases in cost pressures. In addition to this work across directorates, a comprehensive review of the corporate elements of the budget has been undertaken since February, capturing funding, inflation and capital financing. During the early summer and again in the autumn, a series of challenge sessions were held to affirm the budget position. Each session followed a similar format reviewing:
 - The 2018/19 outturn, particularly any ongoing issues arising.
 - The current position in 2019/20 - both monitoring and savings delivery.
 - Existing and emerging pressures that need to be addressed in the 2020/21 budget and forecasts for future years.
 - Progress on the development of savings proposals for 2020/21 and beyond.
 - Identification of any potential growth or invest-to-save bids.
 - Capital programme requirements.
8. The consultation budget represents the combined outputs from these sessions, with £6,713k savings proposals alongside a £6,386k release from General Balances in 2020/21 enabling delivery of a budget without recourse to reductions in service levels.

9. The Council's budget was presented to Cabinet in the context of a challenging medium term outlook with a budget gap of £41,733k to be managed through a combination of savings and Council Tax uplifts over the three years to 2022/23. This position takes into account the favourable outcome of Spending Review 2019, which broadly secures the previously anticipated £10m uplift in funding over the medium term with significant front-loading of new social care grants in 2020/21, but there remains a level of uncertainty due to Brexit and the upcoming Fair Funding Review.
10. The funding strategy is offset by a proposed increase in Council Tax at 3.8% in 2020/21, and indicative inflationary uplifts of 3.8% on Council Tax from 2021/22 securing £14,100k additional income. In addition to this, identified savings deliver a further £7,676k over the three year period, alongside the planned use of general balances leaves £19,957k of savings to be identified over the remaining two budget cycles.

Table 1: Draft Budget Strategy 2019/20 to 2022/23

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2020/21 - 23 £'000
Underlying Savings Requirement	16,119	9,745	12,684	11,528	33,957
Unwind Prior Use of Balances	950	7,776	6,386	3,000	7,776
Total Savings Requirement	17,069	17,521	19,070	14,528	41,733
Current Savings Proposals	(6,609)	(6,713)	(760)	(203)	(7,676)
Proposed 3.8% Council Tax Increase	(2,684)	(4,422)	(4,695)	(4,983)	(14,100)
In-year Call on General Balances	(7,776)	(6,386)	(3,000)	0	N/A
Savings to be identified	0	0	10,615	9,342	19,957
Closing General Balances	(33,178)	(26,792)	(23,792)	(23,792)	N/A

11. The above strategy continues to include the planned release of General Balances while maintaining unallocated reserves within the recommended range for Hillingdon of £15,000k to £32,000k. While a review of the range of risks facing the Council does not indicate a change to this range will be necessary at the moment, there remains a level of uncertainty around treatment of historic retained DSG deficits.
12. As at Month 7, an in-year pressure of £5,092k is reported against the DSG, resulting in a cumulative deficit of £13,584k by 31 March 2020. While the Department for Education are clear that they do not expect any such deficit to be financed from General Reserves, local authorities are awaiting further detailed guidance from CIPFA and the Government on how this expectation can be delivered in practice. In the meantime, the Council will continue to comply with directions from the Government and await clarification on how the DSG deficit will be dealt with going forward.

The Budget and Policy Framework Rules

13. The public consultation on the budget proposals commenced on 18 December 2019 following decisions taken by Cabinet on 17 December 2019.
14. There will be a further consideration by Cabinet of the budget proposals on 13 February 2019, including comments from Policy Overview Committees and the public consultation. These will be collated and reported back to Cabinet by the Corporate Services, Commerce and Communities Policy Overview Committee. Council will be requested to approve the Cabinet's proposals on 20 February 2020, and if approved without further amendment they will be effective immediately.

Corporate Summary

15. While the focus of the discussion for the Policy Overview Committee should be the specific services within its remit, it is important that this discussion is conducted in the context of the overall corporate financial position. The Council's financial performance during 2019/20 remains strong, with an underspend of £610k projected across revenue budgets as at September (Month 7) and £7,271k of the £8,141k savings programme either already banked or on track for delivery within the financial year. The remaining £870k remain on track to be delivered in full in future years.
16. The budget proposals included in this report represents the Cabinet's budget strategy for 2020/21. Revenue budget proposals have been developed to continue to support the over 65s meet their Council Tax liability by continuing the older people discount, increasing the benefit to cover the 1.8% increase in Council Tax before the Social Care Precept and maintaining balances and reserves at well above the minimum recommended level and continue to protect frontline services. The final funding settlement for 2020/21 and confirmation of a number of levies payable to other public authorities will not be confirmed until early 2020.
17. Recurrent funding available to support the budget requirement is projected to total £226,500k in 2020/21, inclusive of £4,422k additional income linked to the proposed 3.8% increase in Council Tax to protect front line services for residents. This recurrent funding is supplemented by £7,754k of one-off funding including £825k additional income from the London Business Rates Pool and a £6,386k release from General Balances to support the £234,254k projected cost of delivering services in 2020/21.
18. The Council's draft budget strategy is to align the profile of budget proposals to deliver a budget for 2020/21, while maintaining unallocated reserves between £15,000k and £32,000k. The development of £6,036k savings proposals and £677k initiatives to contain growth in demand-led Contingency budgets - primarily through contract renewals and demand management - are sufficient to reduce the budget gap to £6,386k, which it is proposed to cover through the drawdown from General Reserves, as detailed in Table 2 below:

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Table 2: Budget Requirement

	Movement from 2019/20 £'000	2020/21 Budget Requirement £'000
Recurrent Funding	(7,562)	(222,078)
Council Tax Increase (3.8%)		(4,422)
One-Off Funding	6,268	(1,368)
Planned Use of General Balances		(6,386)
Total Resources	(1,294)	(234,254)
Roll Forward Budget		229,928
Inflation	6,222	
Corporate Items	664	
Contingency (Service Pressures)	4,260	
Priority Growth	(107)	11,039
Budget Requirement		240,967
Gross Savings Requirement		6,713
Contingency (Management Action)	(677)	
Savings	(6,036)	(6,713)
Net Budget Gap		0

19. This draft budget includes £543k new funding for Priority Growth items, with specific growth proposals including additional staffing in the Anti-Social Behaviour and Environment Team, a new Planning lawyer, support for additional duties from the Environment Bill, Patrol Officers at Little Britain Lake, a Military Curator at the Battle of Britain Bunker, additional resources in the Licensing Team and additional support for Domestic Violence.
20. An update of the Council's capital programme is also presented in this report, with £444,858k of planned investment in local infrastructure over the period 2019/20 to 2024/25. This includes a new Leisure centre in West Drayton, a major programme of investment in the Borough's highways, a programme of sports club rebuild/refurbishments, a libraries refurbishment programme, provision for investment in Youth infrastructure and the potential purchase of Uxbridge police station. The programme is supported by £120,931k of external funding, £77,883k of capital receipts from the disposal of surplus assets and Community Infrastructure levy alongside £246,044k of Prudential Borrowing. Financing costs associated with implementation of this programme are the principal driver behind the £664k Corporate Items and are forecast to grow to £12,445k by 2024/25.

2019/20 GROUP BUDGET PROPOSALS

21. Budget proposals relating to services within the remit of Corporate Services, Commerce and Communities Policy Overview Committee are presented below, with headline operating budgets for the relevant services outlined in Table 3. In addition to these base budgets to support services, more volatile or demand-led areas of activity are managed through

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Development and Risk Contingency - with latest projections for 2020/21 expanded upon in the following sections of this report.

Table 3: Group Budgets within Corporate Services, Commerce and Communities Policy Overview Committee Remit

	Chief Executive's Office	Finance	Residents Services	Total
	£'000	£'000	£'000	£'000
Operating Budget 2019/20	2,537	4,953	2,736	10,226
Inflation	138	209	490	837
Corporate Items	0	0	0	0
Contingency (Service Pressures)	0	0	0	0
Priority Growth	163	0	0	163
Savings (including Management Action)	(31)	(228)	(200)	(459)
Operating Budget 2020/21	2,807	4,934	3,026	10,767

Priority Growth

22. This draft budget includes £163k of funding for Priority Growth items based on new growth proposals identified, with funding held in Earmarked Reserves being available for any new and emerging Priority Growth proposals during the year, proposals incorporated in the budget at this time are:

- i. £113k for a Planning Lawyer.
- ii. £50k to strengthen the Council's Domestic Violence support.

Savings

23. The following paragraphs provide an overview of savings proposals included in this draft budget. These include efficiency savings and other measures reducing the cost of service delivery without impacting upon service. As in previous years, savings measures fall into four broad themes:

- a. Service Transformation represents the majority of proposed savings, with items presented in this category ranging from the full year effect of previously implemented proposals, the implementation of recently agreed BID Reviews and the expected benefits arising from potential new BID Reviews.
- b. Effective Procurement savings are similarly made up of full year effect items and proposed reviews of delivery models in a number of areas.
- c. Income Generation & Commercialisation proposals include brought forward items for which plans are already in place, and proposed amendments to Fees and Charges discussed in the dedicated section below; and,

- d. Savings proposals from Zero Based Reviews represent budgets, which have been identified as being surplus to requirements through the line-by-line review of outturn 2018/19 and similar exercises being undertaken by Finance.

Pump Priming Savings and Flexible Use of Capital Receipts

24. The Council is currently permitted to finance the costs associated with service transformation from Capital Receipts, with both one-off implementation costs and the support for service transformation, including the BID team, being funded from this resource. This draft budget has been prepared on the basis that such implementation costs for the 2020/21 savings programme, estimated at £3,750k, will be financed from a combination of Capital Receipts and Earmarked Reserves as appropriate.

Chief Executive's Office

25. A total of £31k service transformation savings proposals have been presented in relation to the Chief Executive's Office for 2020/21 from a remodelling of Human Resources. Full year effects from the proposal are expected to increase these savings in future years to deliver £49k by 2021/22.

Finance

26. Within Finance, £228k of proposals are presented for 2020/21 through service transformation from the Exchequer and Business Assurances Services service review. A further £190k full year effect is expected from the Exchequer and Business Assurances Services service review, taking the total full year effect saving for Finance to £418k.

Residents Services

27. Savings proposals totalling £200k are presented for Residents Services in 2020/21, all of which is coming from procurement efficiencies.
28. A £200k proposal has been built into the position from the transitioning from running dual applications across Microsoft Office and Google as the Council transitions to a single product, Microsoft Office 365.

Capital Programme

29. The Council's current capital programme, as approved by Cabinet and Council in February 2019, continues to be focused on the provision of sufficient school places to meet rising demand across the borough. This programme has been reviewed and expanded to reflect a number of new initiatives as outlined above. The following key amendments items within the Capital Programme fall within the remit of Corporate Services, Commerce and Communities Policy Overview Committee.

- i. Uxbridge Police Station – Purchase of the Uxbridge Police Station at a cost of £5,000k.

- ii. Property Works Programme – Additional investment required of £4,848k for the upkeep of various Council properties across the borough over the next five years.
- iii. Civic Centre Programme – Increased investment required for continuing upkeep of Civic Centre based on identified works over next five years adds £2,442k.
- iv. Corporate Technology & Innovation – A £2,284k additional ICT investment is required to fund a desktop and laptop refresh project, associated Windows 10 licenses and Cloud migration costs.
- v. Uxbridge Mortuary Extension – It is planned to extend the building, increasing space for training, post mortems, body reception and fridges at a cost of £1,231k, with a 50% contribution being sought from the London Borough of Ealing generating £615k towards the project as the mortuary covers both authorities' populations.
- vi. CCTV – The existing programme has been increased by £342k to support the ongoing CCTV programme across the Borough.
- vii. Equipment Capitalisation – Increase in equipment capitalisation budget required as forecast demand for the supply of bulk waste and recycling bins to customers of the Business Waste Service is expected to increase in 2020/21 adding £260k.
- viii. Woodside Surgery – Following feedback from Hillingdon Clinical Commissioning Group, it is being proposed that the Woodside Surgery is removed from the Capital Programme, reducing the overall spend by £1,939k, with evidence suggesting that there is sufficient level of supply in the area.
- ix. Yiewsley Development – The approved budget is based on original plans for 72 discounted market sale units (General Fund) and 12 supported housing units (HRA) at two development sites, Falling Lane and Otterfield Road. Further investigation of options for these two developments has identified scope to intensify the development to include 107 units and potentially deliver an element through a development partner, resulting in a net £797k increase in the projected surplus on the project.

BACKGROUND PAPERS

THE COUNCIL'S BUDGET: MEDIUM TERM FINANCIAL FOECAST 2020/21 - 2024/25, presented to 17 December 2019 Cabinet Meeting

COUNTER FRAUD ENFORCEMENT ACTIONS

Committee name	Corporate Services, Commerce and Communities Policy Overview Committee
Officer reporting	Zac O'Neil, Business Assurance Counter Fraud Team
Papers with report	Appendix A - Counter Fraud Progress Report to Audit Committee 19/20
Ward	All

HEADLINES

This report provides the Committee with information on how the Council is meeting its statutory duty under Section 151 of the Local Government Act 1972 to safeguard public finances, by implementing effective arrangements for the prevention and detection of fraud and corruption within the Council and its services.

RECOMMENDATIONS:

That the Committee:

- 1. Note the arrangements for the prevention and detection of fraud and corruption within the Council; and**
- 2. Note the Quarter 2 19/20 Counter Fraud Progress Report.**

SUPPORTING INFORMATION

- Under section 151 of the Local Government Act 1972 the Council has a statutory responsibility for the proper administration of its financial affairs. In meeting this responsibility, the Council must make arrangements to ensure that the risk of financial loss through fraud and corruption is properly managed and mitigated through effective controls.
- The role of the Business Assurance Counter Fraud Team (BACFT) is to lead on the management of the Council's fraud risks and, working alongside colleagues, to implement (directly or indirectly) a range of measures to prevent, detect and deter fraud and corruption. Key to this is the BACFT's Counter Fraud Strategic Plan and Operational Work Plan, which underpin the objective of meeting the statutory requirement, and of a Council that is effectively and robustly fraud risk managed.
- A Counter Fraud Strategic Plan and Operational Work Plan have been in place since April 2018, following a restructure of the then Corporate Fraud Team, when it was brought within Business Assurance under the Finance directorate, and working alongside Internal Audit. The aim was to create a clear strategy for fraud and corruption and provide a professional, proactive and fully risk based approach to counter fraud activities. In 2018/19, the first year

Classification: Part 2 - Members' Only and Not for Publication

Corporate Services, Commerce & Communities Policy Overview Committee – 14 January 2020

of the strategy and work plan being in place, the BACFT reported to the Audit Committee £1.2m of financial savings from its work. And in 2019/20 the BACFT has up to the end of Quarter 2 reported £906k in financial savings (see *Appendix A*).

4. The risk-based approach to counter fraud taken by the BACFT, involves an intelligence-led assessment of the specific risks of fraud within individual Council service areas, in order to build what is referred to as the Council's 'Fraud Universe'; essentially, a comprehensive view of the Council's key fraud risks, fraud mitigation activities, and controls. This drives the creation of the Operational Work Plan, focusing on the highest risk areas. The assessment of risk is made through engagement and partnership working with Council colleagues, including the facilitation of Fraud Risk Workshops. Fraud Awareness training, internal and external communication campaigns and the provision of fraud prevention guidance, further embeds a counter fraud culture.
5. The BACFT's structure is formed around the Counter Fraud Strategy and the risk based approach, with three distinct sub-teams: Intelligence, Verifications and Investigations. All referrals for investigation are risk assessed against standard criteria by the Intelligence Team and, where the assessment is passed, are either allocated to the Verifications Team for enquiries and a home visit, or passed to a Counter Fraud Investigator to carry out an investigation.
6. Enforcement action is used where, following an investigation, there is sufficient evidence of fraud to support a decision to act and it is in the public interest to do so. This means that it is proportionate to take action when considering the seriousness of the offence and the necessity to deter future fraud, and serve as a suitable response to the fraud. Enforcement actions must be in line with the recently updated Corporate Prosecutions and Sanctions Policy. The types of enforcement action available include criminal prosecution in the Magistrates and Crown Court, financial penalty of £100, statutory penalty for specific fraudulent acts such as Council Tax Reduction fraud, and an official caution where we believe that this is an appropriate sanction in light of all the circumstances of the case.
7. Since 2014, the Council no longer has the responsibility for investigating suspected cases of Housing Benefit fraud. Responsibility for this was transferred to the Department for Work and Pensions (DWP) in line with the introduction of Universal Credit. The Council continues to administer the Housing Benefit scheme on behalf of the DWP, but the BACFT no longer has statutory powers of investigation in this area. This is not to be confused with the Council Tax Reduction Scheme (previously Council Tax Benefit) which is still investigated by the BACFT.
8. Other areas of enforcement that the Council is responsible for include Trading Standards, Planning Enforcement, Environmental Health, Private Sector Housing, Licensing, Imported Food, Antisocial Behaviour Enforcement and Parking Enforcement. These areas fall within the Council's remit as a statutory regulator and are enforced in line with specific legislative requirements and the Corporate Sanctions & Prosecutions Policy. The BACFT looks to work in collaboration with many of these services, including the use of a Financial Investigator and with Internal Audit, in an effort to ensure that a joined up approach is taken in matters which span areas of enforcement and risk. The objective is for effective and efficient enforcement across all Council service areas and maximising the use of joint intelligence, and investigative functions.

9. Future counter fraud activities in Hillingdon Council will continue to focus on a risk based approach, with the use of risk assessment and the Fraud Universe to identify the key fraud risks faced by the Council. The BACFT will look at maintaining the level of proactive counter fraud projects within the areas of highest fraud risk, and expanding on the use of preventative measures. This includes utilising the Verifications Team more widely to prevent and detect fraud, and continuing to promote a healthy counter fraud culture through fraud awareness campaigns. The BACFT is seeking to ensure that the Council that is alert to all potential current and future fraud risks, and manages these risks effectively through successful preventative and deterrent actions.

Implications on related Council policies

A role of the Policy Overview Committees is to make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

How this report benefits Hillingdon residents

This report demonstrates to Hillingdon residents that the Council takes fraud seriously, and is committed to its 'zero tolerance approach to fraud'. It provides clarity that the Council understands its fraud risks and is taking action to ensure that the public purse is protected from fraud and corruption. This helps to give confidence that taxpayers' money is being spent appropriately and not lost to the fraudulent actions of internal or external parties.

BACKGROUND PAPERS

Counter Fraud Annual Report to Audit Committee 2018/19
Q2 2019/20 Counter Fraud Progress Report
Counter Fraud Team Structure

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BUSINESS ASSURANCE

Counter Fraud Progress Report to Audit Committee: 2019/20 Quarter 2

30th September 2019



Contents

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1. Introduction

1.1 The Role of the Business Assurance Counter Fraud Team

- 1.1.1 The Business Assurance Counter Fraud Team (BACFT) supports the Council in meeting its statutory responsibility under section 151 of the Local Government Act 1972 for the prevention and detection of fraud and corruption. The work of the BACFT underpins the Council's commitment to a zero tolerance approach to fraud, bribery, corruption and other irregularities, including any money laundering activity.
- 1.1.2 As well as counter fraud activity, there is also a range of preventative work that the team is responsible for carrying out. This includes fraud awareness training and ensuring the Council have up-to-date and appropriate investigation policies and procedures.

1.2 The Purpose of the Counter Fraud Progress Report

- 1.2.1 The Counter Fraud Progress Report provides the Council's Corporate Management Team (CMT) and Audit Committee with summary information on all counter fraud work carried out during the Quarter 2 period (1st July to 30th September 2019). In addition, it provides an opportunity for the Head of Counter Fraud and the Deputy Director of Exchequer & Business Assurance Services (DDEBA) to highlight any significant issues arising from the counter fraud work in Quarter 2.
- 1.2.2 The progress report also highlights to CMT, the Audit Committee and other key stakeholders, the performance of the BACFT in meeting its strategic and operational objectives (as set out in the Counter Fraud Strategic Plan), which provides an opportunity for the DDEBA to be held to account in this respect.

2. Executive Summary

- 2.1 For Quarter 2 of 2019/20 the BACFT has achieved loss prevention outcomes totalling **£493,073**, which is a prudent estimate based on an assessment of the savings associated with case outcomes. This represents a **19% increase over Quarter 1** and is more in line with the BACFT's annual target of £2M. Loss prevention savings this quarter have mainly been achieved through work carried out within Housing Services and Exchequer Services, with NFI data matching yielding results together with ongoing planned proactive projects.
- 2.2 This Quarter a total of **eight council properties have been recovered**, which brings the total properties recovered for the first 6 months of **2019/20** to **12**. This signals an improvement on 2018/19 in terms of half year results, and is attributable, in part, to the tenancy fraud project started at the end of 2018/19, which is now coming to fruition. In addition, the BACFT has investigated and stopped **three cases of Right to Buy fraud** and **three cases of suspected Housing fraud** have been passed to the Council's Legal Team to **instigate criminal proceedings** following the BACFT's investigation.
- 2.3 As of the 30th of September, the remaining staff vacancies within the Verifications and Intelligence sub-teams have been filled and **the BACFT is fully resourced**. This includes the appointment of a Counter Fraud Investigator, a Verifications Officer and an Intelligence Officer. It has allowed a focus on tenancy fraud investigations and the **improving delivery of Revenues Inspections**. Full resource within the Intelligence sub-team has enhanced timescales on verifications work and NFI data matching, as well as supporting proactive loss prevention projects.
- 2.4 Quarter 2 results for the Home Office Immigration Officer (IEO) embedded within the BACFT shows a total contribution of **£72,861** in loss prevention. The IEO continues to work with Council departments on matters involving the immigration statuses of service users, providing a significant benefit to the Council in preventing the misuse of Residents taxes. The IEO is on track for 2019/20 to exceed last year's loss prevention contribution.

- 2.5 There is no further update on the proposal for the Council to join the **London Counter Fraud Hub**. The proposal has received Cabinet Member approval and is now awaiting communication from the lead authority before the contractual paperwork is signed.
- 2.6 The **Business Rates & Council Tax inspections** operational processes are now fully integrated into the BACFT, providing continuity of service in this area. Three Verifications Officers are now fully trained to undertake revenue inspections, with additional training being undertaken currently for the remaining four Verifications Officers and other relevant members of the BACFT.
- 2.7 The **NFI data matches work stream** this Quarter has included new matches against HMRC data recently been made available, and should yield additional financial savings. Outcomes for these matches will be delivered throughout Quarters 3 and 4. The NFI this Quarter has begun to yield much more positive results, with **cashable savings of c£25k** identified in relation to Council Tax Single Person Discount.
- 2.8 In Quarter 2 there have been **109 referrals for investigation** from internal and external sources. At 30th September 2019, there are **69** ongoing investigations. **94%** of these (**65**) relate to different aspects of housing and tenancy fraud.

3. Analysis of Counter Fraud Activity in Quarter 2

3.1 Housing Fraud - Work in Quarter 2

- 3.1.1 The main work stream for the BACFT continues to be the prevention and detection of housing fraud. The Council is exposed to a number of housing fraud risks, as detailed in the Counter Fraud Strategy for 2019/20. The BACFT deploys a significant amount of resource in the prevention and detection of housing fraud.
- 3.1.2 As per **Table 1** below, in Quarter 2 the BACFT has successfully recovered **8** Council properties, compared to **4** in Quarter 1. There are **48** ongoing investigations into suspected tenancy fraud and the team are actively pursuing **1** other case for eviction.

Table 1 ~ Housing Tenancy Fraud Cases

Housing Tenancy Fraud Cases	2019/20 (to date)*		2018/19		2017/18	
	Cases	£k/value**	Cases	£k/value	Cases	£k/value
Total number of properties recovered	12	£216k	19	£342k	43	£774K
Total number of ongoing cases	49	£882k	-	-	-	-

* as at 30th September 2019

** = In 2014, the Audit Commission reported the national average temporary accommodation costs to Local Authorities for one family as **£18k per property**. We continue to use this prudent estimate for reporting purposes, although across London a number of authorities are reporting that the true cost of each tenancy fraud case is more accurately estimated as **£94k per property** and some as high as **£150k per property** as a representation of property replacement costs.

- 3.1.3 The BACFT Key Performance Indicator (KPI) 5 (refer **Table 3** in **Appendix A**) targets an outcome of a Council property to be recovered for 20% of tenancy fraud referrals received. In Quarter 2 the team achieved an outcome of **29%**.
- 3.1.4 In addition tenancy fraud work, the team carry out investigations into suspected **fraudulent Right to Buy (RTB)** applications. This is a process where a tenant can apply to buy their council property under the statutory scheme, at a significant discount from its market value.

- 3.1.5 The RTB scheme operates under strict conditions that must be met by the applicant if they are to qualify for the discount. Fraud is normally committed by applicants who misrepresent their circumstances in order to qualify. The team has so far this year identified and halted **3 fraudulent RTB applications**. This equates to a loss prevention of **£331,500** in discount to the purchase price that would have been given to the buyer. Currently there are **7 ongoing RTB fraud** cases being investigated by the BACFT.
- 3.1.6 As part of the BACFT's **fraud prevention coverage** it proactively carries out verifications work on existing Council tenancies and other housing service areas. The BACFT uses the information gathered by the Intelligence Officers to conduct necessary checks, including announced and sometimes unannounced visits to properties by the Verifications Officers. The team also work with a variety of social landlords and statutory agencies to help detect fraud where information sharing protocols are in place. This is to ensure that the people residing in Council properties are genuinely entitled to do so.
- 3.1.7 Per **Table 2** below, in the 2019/20 year to date, the BACFT has successfully identified **276** housing register applications that should be rejected for a variety of different reasons.

Table 2 ~ Housing Tenancy Verification Cases

Housing Tenancy Verification Cases	2019/20 (to date)*	2018/19
Total number of cases reviewed	1,059	1,909
Total number verified as accurate	783	1,110
Total number rejected	276	799
% identified by BACFT for rejection	26%	42%

* estimated as at 30th September 2019

- 3.1.8 Of the **276** cases that have been rejected, **7** applications have been completely closed down. This was due to a range of reasons i.e. they do not have 10 years residency, they have no immigration status, they own a property elsewhere or they have over £30k in savings or assets. Without the BACFT's enhanced verifications checks, these applicants may have been successful in obtaining a Council property that they were not entitled to.
- 3.1.9 During Quarter 2 the Housing Register, Allocations and Lettings Team (HRALT) and BACFT have implemented a fully risk based approach to tenancy verifications work, following a successful pilot in Quarter 1. Further risk based checks are under review to continue to reduce verification turnaround times. During this review, KPI 2a [as was] (refer to **Table 3** in **Appendix A**) was highlighted as obsolete due to the target of a 3 day turnaround often not providing the best outcome in terms of meeting the timescales required by the HRALT.
- 3.1.10 As a result, working with Housing managers, **a new operational objective of carrying out verifications checks within a target date set by the HRALT** has been introduced. This is reflected in the revised KPI 2a (refer to **Table 3** in **Appendix A**). The BACFT now has the flexibility to triage the most urgent cases which will in turn mean that most, if not all, verifications checks are completed within the timescale required by Housing.
- 3.1.11 The BACFT cover a wide range of work streams, providing assurance over expenditure of residents' grants for property purchasing and high value expenditure on temporary accommodation. The main areas of verification are:
- **First Time Buyer Scheme** - eligibility based grant scheme helping residents who aspire to property ownership to buy their first home;
 - **Right to Buy** - formal verification of every RTB application to identify suspected fraud and ineligibility;

- **Bed & Breakfast Accommodation** - residency check of all Bed & Breakfast accommodation as part of a proactive project;
- **Section 17 Applications** - Initial eligibility checks on applicants who approach the Council's Social Care team for assistance with accommodation;
- **Section 17 Accommodation** - residency check of all Section 17 accommodation as part of a proactive project;
- **Social Housing Allocations** - formal verification of all social housing applicants that are actively seeking accommodation to identify suspected fraud or ineligibility;
- **Mutual Exchange** - Desk checks and unannounced visits to ensure tenants meet the criteria required to exchange; and
- **Succession & Assignment** - Desk checks and unannounced visits, where appropriate, to ensure the applicants meet the relevant eligibility criteria.

3.1.12 During Quarter 2 the team achieved another positive outcome with **1 First Time Buyer** application being closed due to the applicant not meeting the 10 year residency criteria for eligibility. This resulted in prevention of a grant payment of **£19,560** being provided to the applicant.

3.2 National Fraud Initiative & Internal Data Matching - Quarter 2 Update

3.2.1 The National Fraud Initiative (NFI) is a data matching exercise co-ordinated by the Cabinet Office and is conducted every 2 years. The NFI matches data from over 1,300 organisations, including councils, the police, hospitals and almost 100 private companies to identify potential fraud and error.

3.2.2 There is now a greater emphasis on utilising data matching in the public sector as a means of preventing and detecting fraud. In addition to the NFI, the **London Counter Fraud Hub** (LCFH) is a new initiative that brings together London Boroughs with counter fraud specialists and the latest technologies, to help local authorities tackle fraud and corruption. At the centre of the LCFH is an analytics solution that helps prevent, detect and recover losses from fraud. As mentioned earlier, Cabinet Member approval has been obtained and the BACFT are now awaiting further information from the lead London Borough before formally entering into the LCFH.

3.2.3 NFI data matches for Hillingdon were received during the first week of February 2019 and the BACFT has achieved **loss prevention savings of £25,135** in Quarter 2 in the area of **Council Tax** (Discounts and Exemptions). This year the BACFT has placed a greater emphasis on the use of data matching and analytics to help prevent and detect fraud against local taxpayers' money. It will also be used to identify further loss prevention opportunities and to support upcoming planned projects.

3.2.4 The NFI data matching project, as coordinated by the BACFT, returns matches that are utilised by Council teams other than the BACFT to identify error and financial loss. Using NFI data matches across Council departments has enabled the Council to make additional savings to those identified by the BACFT. **The Cabinet Office has reported** that in 2019/20 to date, the Council has achieved financial loss prevention savings of **£301,322 across all areas of NFI work**. This figure is not included in the savings reported by the BACFT as the Cabinet Office's calculation includes extrapolation across a number of years, whilst the BACFT has adopted a more prudent methodology. However, this figure is relevant as it demonstrates that the NFI project has a wider value to the Council.

3.3 New Homes Bonus Empty Properties Project - Quarter 2 Update

3.3.1 The New Homes Bonus (NHB) is a grant paid by central government to local councils to incentivise housing growth in local areas. It is based on the extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use.

3.3.2 During Quarter 2 the BACFT has worked alongside colleagues within Exchequer Services, to identify properties that were empty and are now occupied, meaning that they will count towards the NHB. Desk-top enquiries and information gathering has been completed by Exchequer Services, whilst the BACFT have conducted unannounced visits to properties where checks have indicated that a visit is required. This project is ongoing and outcomes will be included in the Quarter 3 progress report.

3.4 Revenues Inspections - Quarter 2 Update

3.4.1 The **Business Rates & Council Tax inspections** operational processes are now fully integrated into the BACFT, providing continuity of service in this area. Three Verifications Officers are now fully trained to undertake inspections and all relevant BACFT members of staff have undertaken, or are in the process of undertaking, training from external providers and/or by Exchequer Services staff. Paperless inspection processes are also in development ensuring the approach is aligned to Counter Fraud Strategy and the risk based methodology used across BACFT operations. As part of the close working relationship between BACFT and Exchequer Services, regular discussions are being held to design and implement new proactive counter fraud projects such as '**Beds in Sheds**' and the '**Review of Empty Properties**' to help increase revenue and prevent loss for the Council.

3.5 Immigration Enforcement Officer - Quarter 2 Update

3.5.1 Since 16th April 2018, the BACFT has had a Home Office Immigration Enforcement Officer (IEO) working as part of the team. The purpose is to provide enhanced access to Home Office data for the purpose of assessing cases involving immigration issues and for assisting in a range of counter fraud work. The IEO has so far provided invaluable assistance in counter fraud work and many other Council service areas, such as Social Care and Housing. As a result, financial loss prevention across the Council in Quarter 2 is prudently estimated at **£72,861**. Refer to **Table 4** in **Appendix B** for a detailed breakdown of the identified loss prevention savings to date.

3.5.2 This Quarter the IEO has attended Social Care team meetings to promote his services. The IEO has also been part of the 'All Staff Email' to remind staff of the availability of his service and to reach new members of staff who may not have been aware. In Quarter 2 immigration enquiries have predominantly been received from Housing Services, resulting in **9 Homeless Applications being closed**. Applicants were found to be not eligible as they had no right to access public funds.

4. Analysis of the Counter Fraud Team's Performance in Quarter 2

4.1 In 2018/19 the BACFT agreed and implemented a set of KPIs for to allow effective measurement of team performance and enable the team and the DDEBA to be better held to account by CMT and Audit Committee. Attached at **Appendix A** is **Table 3**, which sets out the performance by the BACFT against the 6 KPIs in Quarter 2. As discussed at para. 3.1.8, KPI 2a has been reviewed and amended so that the KPI relates to the percentage of verifications completed within the target date as set by the HRALT. This better meets the requirements of Housing Services to improve void turnaround times and allows the BACFT to better focus its resources.

4.2 The team's performance against its KPIs has now improved when compared to 2018/19 and is on track to improve further in Quarter 3. **5 of the 8 KPIs now exceed performance targets for the year** but there are still areas requiring a greater focus in Quarter 3, which has been identified and communicated to all relevant BACFT staff. This performance is despite several vacancies within the Intelligence and Verifications sub-teams during the majority of Quarter 2. The KPI related to investigations resulting in sanction should be read in the context of a number of cases that have been progressed for criminal prosecution and will likely conclude in Quarters 3 and 4.

- 4.3 **Table 4** at **Appendix B** provides an overview of the financial performance of the team in 2019/20 within each of the main areas of counter fraud activity.

5. Forward Look

- 5.1 Looking ahead to Quarter 3, a new initiative will be introduced to keep the immigration status of unaccompanied asylum seeking children funded by the Council under regular review. This will identify those receiving support whose status has changed to having recourse to public funds, and therefore no longer require financial assistance from the Council. This provides a significant **saving of £9,933 on average per case** and is calculated based on the average cost per child per year.
- 5.2 As part of our agreement with the Home Office, the IEO will be providing document **verification training sessions** to relevant members of Council staff. The first of these sessions has been arranged for colleagues within HR and Housing, and is due to take place in October 2019.
- 5.3 As part of the strategy of engagement and partnership working with Council colleagues to increase referral rates and meet the strategy of an embedded counter fraud culture, the BACFT will deliver a **comprehensive programme of fraud awareness and fraud risk management workshops** across council departments in Quarter 3. This will include internal and external communication to residents about fraud issues, providing information on the BACFT and counter fraud work across the Council.
- 5.4 **Fraud Risk Workshops** are being designed as part of the programme, which will facilitate the identification of the highest fraud risks within key Council service areas. Workshops will promote effective fraud mitigation controls, be used to update the 'Fraud Universe' and drive future proactive counter fraud work. The workshops will also aim to increase managers' awareness and ownership of fraud risks, and improve governance.
- 5.5 As part of the programme, **Fraud Awareness Sessions** are being designed to be delivered by BACFT staff to all relevant teams within high fraud risk service areas. These sessions will highlight the fraud that may occur, encourage positive fraud prevention activities and ensure that Council colleagues understand how to respond to suspected fraud.
- 5.6 The BACFT would like to take this opportunity to formally record its thanks for the co-operation and support it has received from the management and staff of the Council during Quarter 2. There are no other counter fraud matters that the DDEBA needs to bring to the attention of CMT or the Audit Committee at this time.

Muir Laurie FCCA CMIIA
Deputy Director of Exchequer & Business Assurance Services

30th September 2019

APPENDIX A**Table 3 ~ BACFT Quarter 2 KPIs and Actual Performance**

BACFT KPIs	Target	Q1	Q2	19/20	18/19
1. Percentage of fraud referrals risk assessed within 3 working days	95%	94%	100%	97%	66%
2. Verification work timescales for completion:					
a. Housing Allocations completion within the target date set by Housing. ¹	95%	² 90%	96%	93%	² 90%
b. First Time Buyer completion within 5 working days	95%	100%	100%	100%	90%
c. Right to Buy completion within 28 working days	95%	64%	78%	71%	54%
3. Investigation plan completion within 5 working days of case allocation	95%	100%	94%	97%	67%
4. Tenancy fraud referrals received resulting in property recovery	20%	23%	29%	26%	18%
5. Investigations resulting in sanction (<i>prosecution/penalty/caution</i>)	10%	8%	0%	4%	6%
6. Investigations resulting in loss prevention/financial saving outcome	25%	23%	47%	35%	22%

¹ This KPI has been updated this quarter on review of verifications performance and the needs of Housing Services. The previous KPI was "Housing Allocations completion within 3 working days".

² The performance for Q1 and for 2018/19 is shown against the previous KPI of completion within 3 working days.

APPENDIX B**Table 4 ~ BACFT Quarter 2 2019/20 Financial Performance**

Work Area	Description	Q2	2019/20
Housing	Right to Buy discounts	£221,000	£331,500
	Property Recovery (notional savings)	£144,000	£234,000
	Other savings/loss prevention	£19,760	£69,117
	Prosecution costs	£0	£0
Social Services	Loss Prevention	£0	£0
Revenues	Council Tax Reduction	£0	£397
	Single Person Discount	£29,295	£60,279
	Council Tax Arrears	£0	£2,599
	Council Tax Exemptions	£0	£1,005
	Housing Benefit Overpayments	£6,157	£9,872
Blue Badge	Simple Caution & Financial Penalty	£0	£200
	Prosecution Costs Received	£0	£0
Immigration Officer	Housing First Time Buyer scheme*	£0	£0
	Housing Homelessness Applications**	£72,861	£91,730
	Asylum Seeking Children Expense***	£0	£109,263
	Social Services Section 17 Expense**	£0	£14,123
	IEO Sub Total	£72,861	£215,116
Totals	Loss Prevention	£293,861	£546,617
	Notional Savings	£150,157	£225,872
	Cashable Savings	£49,055	£133,398
	Costs awarded and penalties	£0	£200
	Total	£493,073	£906,087

* First time buyers - Average grant given per person based on 2018/19.

** Average weekly cost against average length of support. This figure fluctuates but has been provided by the Council's business performance team.

*** Cost of accommodation and subsistence per week for one year. This figure is a prudent estimate as the Council can and does often support asylum seeking children until they are 25 years old.

REVIEW C: LOCAL COMMERCE, EMPLOYMENT, SKILLS & JOB CREATION

Committee name	Corporate Services, Commerce & Communities Policy Overview Committee
Officer reporting	Nigel Cramb, Partnerships & Business Engagement Manager
Papers with report	None

HEADLINES

This item will discuss the findings from the Committee's review into Local Commerce, Employment, Skills and Job Creation.

RECOMMENDATION

That the Committee agree the draft recommendations of the review on Local Commerce, Employment, Skills and Job Creation.

SUPPORTING INFORMATION

1. At the Committee meeting held on 18 June 2019, Members agreed that the Committee's next review topic was to be Local Commerce, Employment, Skills and Job Creation. Since then, three witness sessions and a site visit to the Central Research Laboratory have taken place, to help the Committee better understand the local economy, its strengths and the challenges it faces, in addition to opportunities that the Council may be able to take advantage of.
2. Following these witness sessions, officers have discussed the findings from the review, and are now working to produce a series of draft recommendations from the review. These draft recommendations will be circulated to Members prior to the meeting and a hard copy will also be available at the meeting itself.
3. Members are asked to discuss the findings and draft recommendations, and comment or suggest changes to these proposed recommendations.

Terms of Reference

The following Terms of Reference were agreed for the review:

1. *To consider the current local economic environment, and better understand the implications of new developments and initiatives in Hillingdon;*
2. *To examine where Hillingdon Council is currently performing within the regional economic picture and identify any gaps or weaknesses or areas for improvement;*
3. *To consider the future of the Council's economy and its local residents, with a focus on education, skills and youth employment to understand their impact on the Borough's economy and identify any gaps or weaknesses;*

4. *To explore the work that is being taken alongside partners, the Chamber of Commerce, and local businesses, to ensure the local economy remains strong and identify areas for action or improvement; and,*
5. *Subject to the Committee's findings, to make any conclusions and/or recommendations to the Cabinet to strengthen the local economy, that are cost-effective and through existing partnership arrangements.*

Implications on related Council policies

A role of the Policy Overview Committees is to monitor the performance of Council services and make recommendations on service changes and improvements to the Cabinet who are responsible for the Council's policy and direction.

Financial Implications

None at this stage.

Legal Implications

None at this stage.

BACKGROUND PAPERS

NIL.

FORWARD PLAN

Committee name	Corporate Services, Commerce & Communities Policy Overview Committee
Officer reporting	Luke Taylor, Democratic Services
Papers with report	Appendix A – Forward Plan

HEADLINES

The Committee is required by its Terms of Reference to consider the Forward Plan and comment as appropriate to the decision-maker on key decisions which relate to services within its remit (before they are taken by the Cabinet or by the Cabinet Member).

RECOMMENDATION

That the Committee note the Forward Plan, and comment on any items coming before Cabinet if they see fit.

SUPPORTING INFORMATION

The Forward Plan is updated on the 15th of each month. An edited version to include only items relevant to this Committee's remit is attached as Appendix A.

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Ref **Upcoming Decisions** Further details

Ward(s)

Final decision by Full Council	Cabinet Member(s) Responsible	Officer Contact for further information	Consultation on the decision	NEW ITEM	Public or Private (with reason)
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SI = Standard Item each month

Council Departments: RS = Residents Services SC = Social Care CEO = Chief Executive's Office FD= Finance

Cabinet meeting - Thursday 23 January 2020

046	Promoting stronger communities and equality in Hillingdon (REQUEST BY FULL COUNCIL)	Cabinet will consider a review of how the Council is delivering against its priorities of equality, cohesion and the Prevent agenda, including consideration of the Council Motion on 4 July 2019.	All		Cllr Douglas Mills	CEO - Vicky Trott / Fiona Gibbs			Public
048	Modern Slavery Charter (REQUEST BY FULL COUNCIL)	Following approval of an amended motion by Council on 12 September 2019, a report to Cabinet was requested on the Modern Slavery Charter, including consideration of the identification, referral and support to victims and community safety services, along with other elements of the Charter such as procurement.	All		Cross-portfolio: Cllr Douglas Mills / Cllr Philip Corthorne / Cllr David Simmonds / Cllr Richard Lewis	RS - Dan Kennedy / Jacqueline Robertson			Public
043	Douay Martyrs School, Ickenham	Cabinet will consider the variation of lease and licence agreements at Douay Martyrs School to facilitate improvement works proposed for the school site.	Ickenham		Cllr Jonathan Bianco	RS - Mike Paterson			Private (3)
045	Property Transaction	Cabinet will consider the disposal of land adjacent to 1 Whiteheath Avenue, Ruislip, Hillingdon, HA4 7PR.	West Ruislip		Cllr Jonathan Bianco	RS - John McKenna			Private (3)

Cabinet Member Decisions expected - January 2020

055	Procurement of Service to Maximise Hillingdon's Business Rates	Cabinet Member approval will be sought for a framework contract for services to review and identify opportunities to increase the rateable value of the Borough and therefore increase revenue from business rates income.	All		Cllr Ray Puddifoot MBE / Cllr Jonathan Bianco	FD - Maureen Pemberton			Private (3)
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Cabinet meeting - Thursday 13 February 2020

295	London boroughs Postal Services Contract	Cabinet will consider whether Hillingdon enters into a procurement route alongside all other London boroughs for the provision of postal services.	All		Cllr Jonathan Bianco	RS - Tracey Taylor		NEW	Private (3)
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026 b	The Council's Budget - Medium Term Financial Forecast 2020/21 - 2024/25 (BUDGET FRAMEWORK)	Following consultation, this report will set out the Medium Term Financial Forecast (MTFF), which includes the draft General Fund reserve budget and capital programme for 2020/21 for consultation, along with indicative projections for the following four years. This will also include the HRA rents for consideration.	All	TO FULL COUNCIL 20-Feb-20	Cllr Ray Puddifoot MBE & Cllr Jonathan Bianco	FD - Paul Whaymand	Public consultation through the Policy Overview Committee process and statutory consultation with businesses & ratepayers		Public
047	The Schools Budget 2020/21	Cabinet will asked to agree the Schools Budget for the next financial year, following a recommendation from the Schools Forum.	All		Cllr David Simmonds CBE, Cllr Jonathan Bianco & Cllr Ray Puddifoot MBE	FD - Peter Malewicz	Schools Forum		Public

Cabinet Member Decisions expected - February 2020

298 34	Woodside Development, 401 Uxbridge Road, Hayes	Delegated approval from Cabinet on 15 March 2018 was granted to progress this project which seeks to provide new homes for residents. This decision to the Leader and Cabinet Member will be to seek approval to appoint a contractor for the development of the former day care centre, along with the requisite capital release.	Townfield		Cllr Ray Puddifoot MBE / Cllr Jonathan Bianco	RS - Michael Naughton / Pardeep Gehdu		NEW	Private (3)
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Cabinet meeting - Thursday 12 March 2020

292	CCTV Service, Maintenance, Repair & Upgrades	Cabinet will consider appointing a single contractor to undertake the repairs, planned maintenance and upgrades for Corporate & Housing CCTV Systems going forward. These would include Town Centres, Libraries, Green Spaces, Housing sites and other Corporate sites. The Council is seeking a single contractor to carry out the work.	All		Cllr Douglas Mills	RS - Gary Penticost / Michael Breen		NEW	Private (3)
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WORK PROGRAMME 2018 - 2020

Committee name	Corporate Services, Commerce and Communities Policy Overview Committee
Officer reporting	Luke Taylor, Democratic Services
Papers with report	Appendix A – Work Programme

HEADLINES

To enable the Committee to track the progress of its work in 2018-2020 and forward plan its work for the current, and next, municipal year.

RECOMMENDATIONS:

That the Committee note the Work Programme 2018 – 2020 and agree any amendments.

SUPPORTING INFORMATION

The Committee’s meetings start at 7.30pm (unless stated otherwise below), and the meeting dates for the next municipal year are as follows:

Meetings	Room
20 June 2018	CR6
24 July 2018	CR4
20 September 2018	CR4
11 October 2018	CR4
6 November 2018	CR4
8 January 2019	CR4
5 February 2019	CR4
13 March 2019	CR4
9 April 2019	CR4
18 June 2019	CR5
23 July 2019	CR5
19 September 2019 – CANCELLED FOR SITE VISIT	CR5
10 October 2019	CR5
5 November 2019	CR5
14 January 2020	CR6
4 February 2020	CR5
4 March 2020	CR6
7 April 2020	CR5

Classification: Public

Corporate Services, Commerce & Communities Policy Overview Committee – 14 January 2020

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Multi year work programme

May 2018 - May 2022

2020

* Dates provisional

2021

Corporate Services, Commerce & Communities Policy Overview Committee	January 14	February 4	March 4	April 7	May CABINET	June 16*	July 21*	September 17*	October 13*	November 4*	December CABINET	January 12*	February 3*
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REVIEW C: Local Commerce, Employment, Skills & Job Creation

Topic selection / scoping stage

Witness / evidence / consultation stage

Findings, conclusions and recommendations

Final review report agreement

Target Cabinet reporting

Findings

Final Report

CABINET

Review D: Topic TBC

Topic selection / scoping stage

Witness / evidence / consultation stage

Findings, conclusions and recommendations

Final review report agreement

Target Cabinet reporting

Scoping Report

Witness 1

Witness 2

Witness 3

Findings

Final report

CABINET

Regular service & performance monitoring

Mid-year Budget Update

Annual complaints & service update report

Biennial Safety Review - Sports Grounds

Cabinet's budget proposals for next financial year

Cabinet Forward Plan Monthly Monitoring

X All POCs

X X X X

X

X

X X X X X

X All POCs

X X

One-off service monitoring

Officer Report - Community Cohesion

Officer Report - Counter Fraud Enforcement Actions

Future Review Topics

X

X

Past review delivery

Recruitment

Homophobic, Biphobic & Transphobic Bullying

Broadcasting of O&S Committees on YouTube

Local Policing & Community Safety in Hillingdon

Local Commerce, Employment, Skills & Job Creation

X

X

X

X

X

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