

Minutes

FINANCE AND CORPORATE SERVICES SELECT COMMITTEE

1 March 2023



Meeting held at Committee Room 6 - Civic Centre,
High Street, Uxbridge UB8 1UW

	<p>Committee Members Present: Councillors John Riley (Chairman), Kaushik Banerjee, Kishan Bhatt, Shehryar Ahmad-Wallana (In place of Richard Lewis), Narinder Garg, Gursharan Mand and Stuart Mathers (Opposition Lead)</p> <p>LBH Officers Present: Mark Braddock, Democratic Services; Alex Brown, Head of Counter Fraud; Laura Piggott, Counter Fraud Manager; Mark O'Halloran, Counter Fraud Manager; Kevin Westbrook, Interim Counter Fraud Manager and Naveed Mohammed, Head of Business Performance.</p>
56.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>Apologies were received from Councillor Richard Lewis, who was duly substituted by Councillor Shehryar Ahmad-Wallana.</p>
57.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>There were no declarations of interest in matters coming before this meeting.</p>
58.	<p>MINUTES OF THE PREVIOUS MEETING - 8 FEBRUARY 2023 (<i>Agenda Item 3</i>)</p> <p>Cllr Mathers raised the point in the minutes regarding the submission of comments on the Cabinet Forward Plan prior to the meeting in the interests of transparency.</p> <p>RESOLVED: That the minutes of the meeting held on 8 February 2023 be agreed as a correct record.</p>
59.	<p>TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED AS PART I WILL BE CONSIDERED IN PUBLIC AND THAT THE ITEMS MARKED AS PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 4</i>)</p> <p>RESOLVED: That all items of business at this meeting be considered in public.</p>
60.	<p>COUNTER FRAUD OVERVIEW REPORT 2022-2023 (<i>Agenda Item 5</i>)</p> <p>The Chairman welcomed an interesting discussion ahead on the Counter Fraud Service and informed Councillors that they should be watchful of enquiring about the specifics of ongoing cases, or the tradecraft used to combat fraud given that the meeting was public.</p> <p>The Head of Counter Fraud started by outlining the comprehensive approach to the</p>

fraud universe within Hillingdon. He briefly introduced his colleagues from the Service to the Committee, who would later brief Councillors on operational matters within their remit.

The importance of the 3-year Counter Fraud Strategy was explained first, which set out the four main principles for the service: firstly, partnership and engagement, which sought to communicate with services and create a counter-fraud culture; secondly, prevent, detect, pursue and deter, which was the cornerstone of the strategy; thirdly, innovation and modernisation, which sought to embrace new technologies; and finally, a risk based approach, in order to triage cases and enable resources to be deployed to most important areas, informing the annual work programme and ultimately the Fraud Risk Register.

In respect of the annual work programme, the Head of Counter Fraud informed Members that this would include criminal, civil, disciplinary investigations, proactive projects to target areas of risk and also verifications, which was noted as unique to Hillingdon, where the service assesses a persons' eligibility for certain services, including through data matching, in order to preventing fraud from entering the system in the first place.

The Committee was told how the service measured its success, which were in different ways, including key performance indicators which were reported upwards, benchmarking across other London boroughs and importantly, a financial loss prevention target each year, which was set by the Corporate Director of Finance and Cabinet Member and stood at £3.5m for the current year. It was noted that the service had actually exceeded this target with £10.7m of loss prevention to-date.

Providing more detail to Members, the individual Counter Fraud Managers present outlined the structure of their teams and their service responsibilities, which covered:

- revenue and benefits investigations citing, for example, activity to ensure an £5.7m of business rates were secured by visiting premises and ensuring records and billing are up to date;
- the data analysis unit which acted as the core of the service with referrals to it, and the ability to analyse and match data on cases, in conjunction with the London Fraud Hub, which enabled the provision of real-time information;
- housing investigations, which covered housing applications, right-to-buys and verification of them prior to being accepted, along with investigating illegal subletting referrals and non-occupation of properties, which has helped bring much needed housing accommodation back into use;
- outreach to residents through campaigns, such as the key amnesty last year;
- investigations into fraud loss and error across social care, including section 17 cases and direct payments which were often complex in nature, along with blue badge fraud and;
- consultancy reviews across Council services to support fraud risk mitigation and any disciplinary matters so required.

The Chairman thanked the officer team for their presentations and, in particular, welcomed how they had substantially exceeded their financial loss prevention target to-date, remarking that fraud on the Council was a fraud on all residents. Members of the Committee then asked a number of questions, which were responded to by officers present.

Firstly, it was queried when people registered a death and lived in a council property, how this would be picked up by the Counter Fraud Team and cross checked with tenancy details. Officers replied that such matters would be picked up through twice weekly data matching exercises from the London Fraud Hub.

In respect of the on-site Home Office immigration official, a Councillor sought information on how their role assisted in tackling fraud, to which officers replied it enables access to Home Office data and assists proactively with specific cases, where there are immigration matters.

On the London Counter Fraud Hub and the importance of knowledge-sharing, it was asked whether the function supported the capturing of information if people who commit fraud move from elsewhere in the UK into Hillingdon. Officers advised that whilst this was not entirely possible at this time, there were a number of other similar fraud hubs growing across the UK to share information which would assist in the future. There was also a national fraud initiative led by the Cabinet Office seeking to improve co-ordination of such work.

Councillors sought clarification on how the service balances its resources to tackle fraud, along with guidelines for sanctions and how this may progress through to the courts and publicity thereafter. Officers responded by stating that they apply both the evidential and public interest tests in cases along with factoring in mitigating circumstances. Other key factors that triaged cases to investigate or prosecute were those of the most financial benefit, cases with reputational risk and in particular, those matters that residents find most impactful, such as beds in sheds. It was noted that there were a number of live cases being prosecuted at present and that following any successful prosecution, the team would seek to publicise these across different channels for awareness and deterrent purposes.

In respect of corruption and bribery a Councillor cited there had been a rise in this across the property development and planning industry in recent years and asked if this had ever been experienced in Hillingdon. In response, officers advised they had never come across such cases or had to enforce the Bribery Act to-date in Hillingdon, but should such a matter arise, it would be taken extremely seriously.

Committee Members considered how the service could further publicise their activities, fraud outcomes and success stories, such as blue badge fraud, and make more use of Hillingdon People magazine. Members also considered how the Service could better seek local views on fraud priorities, in a similar way that Ward Councillors discuss crime priorities when liaising with local police teams. Officers supported calls for further publicity of their work and informed Members of recent publicity events, such as hashtag Fraud Awareness Fridays alerting the public to different fraud risks each week. It was accepted that the Service could undertake further external publicity, but internally within the Council, it was noted that there were regular information and communications events with services, to ensure that staff are fraud alert.

The Committee and officers discussed the number of fraud risks associated with the homelessness and housing journey for residents presenting and applying. It was noted that officers had to be very proactive in this area due to some instances of opportunistic fraud, such as people not being entirely honest or not giving full information. Work in this area, particularly around emergency accommodation whilst claims were being assessed, had resulted in accommodation coming back into use saving taxpayer money. Officers advised that a key aspect to this was the unique prior verification work

undertaken by the service before any housing transaction progressed, which prevented people getting a council housing property or right-to-buy, if they were not eligible for it in the first place.

Building on the London Counter Fraud Hub model to share data, Members discussed whether there was a case for a more formal Fraud Directorate across London to ensure the high standards being achieved in Hillingdon were being applied more universally. Officers outlined to Councillors how Hillingdon's Counter Fraud Service was not entirely structured in the same way as most other local authorities teams, with the example given of having revenue inspectors operate within the service itself, rather than in a separate revenues team. It was noted that Hillingdon's Counter Fraud Officers were also particularly experienced with in-depth knowledge of the fraud world. It was advised that the service would always seek to look at innovative ideas, one of which being considered was leading a shared services or commercial model, on behalf of other local authorities.

The Committee then turned to the growing use of technology and cyber and, in-turn, the more sophisticated fraud opportunities. This was acknowledged by officers who informed Members that they worked closely with the Internal Audit Team responsible to highlight any fraud risks as part of the Council's digital and transformation agenda.

A Councillor raised a point about a system error which had resulted in a delay in a housing application. Officers from the Counter Fraud Service advised that whilst this was not within their remit, if reported they would liaise with the housing service to get the matter rectified.

The Chairman thanked Officers for their attendance and the Committee for the in-depth discussion. It was agreed to put on record the Committee's appreciation of the good work of the service and the counter fraud activity it undertakes on behalf of the Council and resident taxpayers.

RESOLVED:

That the Finance and Corporate Services Select Committee:

- 1. Received an overview of the work and operation of the Counter Fraud Service;**
- 2. Noted and commented on the Counter Fraud Overview report 2022/23; and**
- 3. Asked questions of the Head of Counter Fraud.**

61. UPDATE ON THE IMPLEMENTATION OF RECOMMENDATIONS - PERFORMANCE MONITORING AND REPORTING REVIEW (Agenda Item 6)

The Head of Business Performance introduced the report setting out progress delivering on recommendations from a previous scrutiny review by the Corporate, Finance and Property Select Committee in 2021, adopted by Cabinet. The previous committee's review had been on how the Council processes, reports and makes use of data. Going through the individual recommendations, it was noted that:

On performance reporting to the Corporate Management Team (CMT) and Cabinet Members, progress had been made, with a regular report to CMT, but the metrics

reported would vary due to priorities or pressures that emerge mid-year, for example recently introduced were performance data on mould within council housing properties following the review into the tragic death of Awaab Ishak.

It was further noted that KPIs and metrics would be evaluated further in light of the new Council Strategy adopted in 2022 to ensure both Councillor and residents can measure progress on the Council's priorities. Cabinet Members would be signing off the metrics reported to them via their Directors, such as around social care or complaints and Members' Enquiries.

The Head of Business Performance made mention of the significant amount of data that could be reported upwards, but that there was need to ensure the right ones were selected for quality assurance purposes, statutory returns such as to the Department for Education, but also to ensure benchmarking with other local authorities, such as using the housemark initiative, so the Council could measure its performance amongst peers. Furthermore, an additional piece of work was to look at performance data in terms of inspection outcomes, such as those by Ofsted and Youth Justice Board.

With respect to another recommendation from the review around select committee reporting, it was explained that this would take place with high-level updates reflecting the committees' terms of references, but that progress had been delayed due to the adoption of the Council Strategy. It was advised that work would take place with select committees to ensure KPIs presented to them were relevant and aligned to the reporting to Cabinet portfolios.

On the recommendation around performance culture, it was explained that there was a lot of work being done with services to improve data quality and to be proactive in ensuring they enter information in the right way. Workshops and training sessions were being held along with regular meetings with senior management teams.

The Chairman remarked how the right data can help support and direct organisations. An example of this was given by the Head of Performance relating to where schools often struggle with their data input, which in turn has impacted on the number of children becoming eligible for free school meals. Therefore, it was noted the service was proactively working with Headteachers on such matters.

On the final recommendation around performance innovation, the Head of Business Performance noted that the Council was a little behind the curve in terms of the performance tools that were being deployed, but that he had taken a paper to Corporate Management Team on options to further develop technology in this area, in conjunction with the ICT Department.

The Chairman thanked the Head of Business Performance for attending.

RESOLVED:

That the Committee noted the progress made and the work that was outstanding.

62.	<p>CABINET FORWARD PLAN (<i>Agenda Item 7</i>)</p> <p>The Senior Democratic Services Manager outlined the items under the Committee’s remit on the Cabinet Forward Plan over the coming months, along with an additional item added on a HR agency contract in recent days.</p> <p>RESOLVED:</p> <p>That the Finance and Corporate Services Select Committee noted and commented on items going to Cabinet.</p>
63.	<p>WORK PROGRAMME (<i>Agenda Item 8</i>)</p> <p>On the Committee’s work programme, forthcoming information items were noted including on the new Members’ Enquiry system, Contact Centre and HR digitalisation.</p> <p>The Chairman noted that the next meeting would encompass the final witness session on the procurement review, which he hoped would be forward-thinking and an opportunity for the service to tell the Committee what they would like to do, in order to submit findings to Cabinet.</p> <p>In respect of other topics to consider at future meetings, the Chairman put forward the proposal for an item on transformation and change management and how staff have taken to change. It was advised this would perhaps best first encompass the Council’s learning and development service and how the Council invests in its staff and the skills they receive.</p> <p>A Councillor suggested the Committee received an item on Treasury Management, so Councillors could gain a better understanding of the task that the finance team undertake in this regard, along with an item on the Business Improvement and Delivery Team and how they work in the delivery of the savings targets which are reported to Cabinet monthly.</p> <p>Finally, the Chairman remarked about how committee members may wish to think about the areas they would wish to see performance indicators on, to perhaps delve into them in more detail and report back to the committee, once the new reporting regime was established.</p> <p>RESOLVED:</p> <p>That the Finance and Corporate Services Select Committee considered the Work Programme and agreed to include the following as future information items:</p> <ol style="list-style-type: none"> 1. Staff skills, learning and development; 2. BID transformation work to deliver savings; 3. Treasury Management.
	<p>The meeting, which commenced at 7.00 pm, closed at 8.18 pm.</p>

These are the minutes of the above meeting. For more information on any of the resolutions please contact Mark Braddock on mbraddock@hillington.gov.uk. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

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