

## **OVERVIEW & SCRUTINY BOARD SUPPLEMENTARY AGENDA**

**2 April 2019**

The following report is attached for consideration and is submitted with the agreement of the Chairman as an urgent matter pursuant to Section 100B (4) of the Local Government Act 1972

**5 CALL-IN OF A CABINET DECISION RELATING TO LONDON COUNTER FRAUD  
HUB (Pages 1 - 6)**

Slightly amended covering report attached which did not reproduce correctly in the main agenda papers. Grounds for requisition and response from officers are as shown on the attached.

**Andrew Beesley**  
**Head of Democratic Services**

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# Overview & Scrutiny Board

2 April 2019

## REPORT

**Subject Heading:**

Call-in of a Cabinet Decision – London Counter Fraud Hub

**SLT Lead:**

Anne Brown – Deputy Director of Legal & Governance

**Report Author and contact details:**

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**Policy context:**

Preventing Fraud

**Financial summary:**

Total cost of the London Counter Fraud Hub will be £615,000 over the life of the 7 year contract

Net potential benefits will be between £900,000 - £1,538m

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

**SUMMARY**

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by two Members representing more than one Group (Councillors

David Durant and Ron Ower) have called-in the Executive Decision dated 13 March 2019.

<b>RECOMMENDATION</b>
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**That the Board considers the requisition of the Cabinet Decision and determines whether to uphold it.**

<b>REPORT DETAIL</b>
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As per Appendices

Appendix – Grounds of Call in and response

Grounds of the call in

I wish to call in Cabinet decision item 9 LCFH, because the scheme offers forecast savings, but Havering has already conducted an extensive audit of council properties and PSL, so has little immediate need for the new anti-fraud “Hub”. This matters because delaying joining frees up £145,000 for other things.

When the Housing Revenue Account was restored to councils it transformed the housing department and an audit of council housing was progressed. Then after the PSL controversy, an audit of PSL is being undertaken. The housing audit would cover lawful occupancy and the one person discount. There is now small business rate relief across the board and so fraud is diminished as no one need claim. And again there was an audit of those eligible following a previous government grant to be awarded to small businesses. That is the council has made substantial progress on the audits to remove fraud in the areas covered by the proposed LCFH.

That is not to say we never join, it just means there is no immediate need to join this year. The report itself says we could delay to see how the scheme progresses first and says not all councils need join for it to get off the ground. Indeed the main argument in the report for joining this year was just to show solidarity with the rest of London. I.e. for political reasons, in keeping with council policy to make Havering part of a Greater London. However a greater political priority for delaying a year is the saved £145,000 helps keep Chafford Sports Complex open for another year.

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## Requisition of Cabinet decision – London Counter Fraud Hub – Response from Council officers

The audit of council properties and PSL was run for three years between 2015 and November 2018. This means that some of our housing stock have not been reviewed for three years so, therefore, the Council does not have up to date data regarding properties that may be allocated inappropriately.

The previous audit was not data led and was based on visiting each of our housing stock, so properties and individuals that pose a greater risk of fraudulent activity were not targeted. The LCFH will allow our data to be matched with third parties and other boroughs, so will allow us to focus on tenancies that appear to be potentially fraudulent, rather than diluting fraud resources on visits to properties which the data does not indicate fraudulent activity.

It should also be noted that the annual costs of the fraud hub are significantly less than the running costs of the tenancy fraud audit.

The fraud hub will also provide data matches for single person discount and business rate fraud, which could lead to significant savings to the Council.

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