

CORPORATE RESOURCES**OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL MEETING)****TUESDAY 12 NOVEMBER 2002 AT 2.00 PM**

PRESENT: Councillor Guest (Chairman), Councillors Bain, Mrs Bradley, Mrs Bowman, Joscelyne, Knapton (substitute for Councillor Jefferson), J Mallinson and Stothard (substitute for Councillor Mrs Styth).

CROS.139/02 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Jefferson, Styth and Mrs E Mallinson.

CROS.140/02 DECLARATIONS OF INTEREST

Councillor J Mallinson declared a prejudicial interest in respect of the business to be transacted at the meeting as he owned property which was rented to people in receipt of Housing Benefit. Councillor J Mallinson withdrew from the meeting and took no part in the proceedings.

Councillor Knapton declared a personal interest during the discussion on Capita as his daughter works for the Company. Councillor Knapton took no part in the discussion on this issue.

CROS.141/02 PUBLIC AND PRESS

RESOLVED – That, in accordance with Section 100A(4) of the Local Government Act 1972, the Public and Press were excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information, as defined in the Paragraph Number (as indicated in brackets against each Minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

CROS.142/02 REVISED HOUSING BENEFIT COUNTER FRAUD STRATEGY REQUIREMENTS RESULTING FROM THE NEW FRAUD INCENTIVE SCHEME (SAFE)

(Public and Press excluded by virtue of paragraph 14 of Part 1 of Schedule 12A of the Local Government Act 1972)

Pursuant to Minute EX.308/02, the Head of Revenues and Benefit Services presented the joint report of the City Treasurer and Town Clerk and Chief Executive (Financial Memo 2002/02 No.51 and TC.198/02) informing Members of the effect on the City Council of the introduction of the new incentive scheme entitled 'Security Against Fraud and Error' (SAFE) on 1 April 2001. The scheme had been designed to better reward Councils which had robust Housing Benefit Counter Fraud Strategies, particularly in the areas of fraud prevention and deterrence. Details of how SAFE was implemented within Housing Benefits

Administration in Carlisle, together with the Committee's responsibilities in regularly scrutinising performance against counter fraud targets were detailed within the report.

The Executive, at its meeting on 30 September 2002, had referred the draft Housing Benefits Counter Fraud Strategy, Sanctions Policy and Overpayment Recovery Policy to this Committee for scrutiny. In addition, this Committee had been requested to regularly scrutinise performance against Counter Fraud targets and any audit report on Housing Benefit Administration as part of its Work Programme in meeting Comprehensive Performance Assessment requirements covering Members' roles in championing SAFE.

The Head of Revenues and Benefit Services answered Members' questions relating to the report and the following main issues arose:-

- a. Members asked to be provided with details of risk assessment procedures which were in place when Officers meet claimants.
- b. Members noted that the Head of Revenues and Benefit Services was satisfied that the estimated income from specific Department of Works and Pensions grant based on the number of cautions/prosecutions progressed would be met and that these targets would be kept under review in the light of experience.
- c. It was noted that the Council's accuracy in assessing Benefit payments was 97.6% was in the mid range nationally and that the best performing Councils were achieving accuracy levels of 99%.
- d. A Member asked whether staffing levels were satisfactory. The Head of Revenues and Benefit Services indicated that staffing levels for investigating Benefit fraud had been increased from one Officer to two some four years ago. Specific clerical support would assist the work of the Investigation Officers.
- e. Particular problems in relation to staff retention were highlighted given the fact that Capita were setting up a base locally.
- f. A Member referred to the fact that the joint report had not been considered in detail by the Executive. The Member considered that the Executive portfolio holder(s) responsible for Benefit services should have attended this meeting to hear the various detailed presentations.
- g. Members agreed that, initially, monitoring reports detailing the Council's performance against performance indicators would be submitted to this Committee for scrutiny every six months. Arrangements would be made to provide for this in the Committee's work programme.

The Head of Revenues and Benefit Services then gave a presentation on the Housing and Council Tax Benefit Counter Fraud Strategy which set out initiatives, good practice, etc. followed by the Council to ensure that Benefit Fraud was tackled effectively.

The Head of Revenues and Benefit Services answered Members' questions on the presentation and the following main issues arose:-

- a. The Head of Revenues and Benefit Services explained procedures under the Data Protection legislation and other methods of investigating Benefit fraud.

- b. Members asked the Head of Revenues and Benefit Services to investigate ways of increasing public awareness of the Benefit Fraud hotline including the use of Council owned vehicles upon which the hotline telephone number could be displayed.

The Benefits Manager then gave a presentation on the Housing and Council Tax Benefit Sanctions Policy which set out the options for taking action against any person knowingly involved in fraudulent activity, together with the factors favouring and factors weighing against the use of the sanctions available.

The Benefits Manager answered Members' questions on the presentation and the following main issues arose:-

- a. A Member asked whether medical conditions were taken into account when determining action against claimants. The Benefits Manager indicated that Officers did not pro-actively seek details of medical conditions from claimants but, if raised by the claimant, medical conditions would be taken into account. All claimants facing sanctions were advised to seek independent advice about their situation.
- b. A Member considered that stress awareness training may be appropriate for Investigating Officers.

The Benefits Manager then gave a presentation on the Overpayments Policy which set out how the Council would correctly identify, administer and account for overpayments of Benefit, ensuring compliance with regulations whilst protecting customers' rights, sensitivities and circumstances.

The Benefits Manager answered Members' questions on the presentation and the following main issues arose:-

- a. Members noted details of recovery procedures and restriction on access to claimants' criminal records.
- b. Members also discussed issues arising from payments in kind between landlords and Benefit claimants.

The Audit Manager then gave a presentation on Financial Memo 2002/03 No. 74 detailing Internal Audit's role in the review of Housing and Council Tax Benefits Administration. He particularly drew attention to the new performance standards under Comprehensive Performance Assessments whereby the Council could achieve a standard or above standard rating subject to performance. Under the CPA process, the Council was required to achieve the standard performance rating by 2005. He was putting in place an Action Plan to ensure that the City Council was able to achieve this target. He further indicated that Internal Audit reviews of Housing and Council Tax Benefits would continue to be carried out on an annual basis. These reports would be submitted to this Committee for scrutiny. Members asked that these Internal Audit reports should be clear and easy for Members to digest.

The Audit Manager also referred to the role played by District Audit in monitoring the performance of the City Council's Audit Section.

The Audit Manager answered Members' questions on the presentation.

Members were keen to ensure that the Action Plan would achieve at least the standard

CPA rating by 2005 and the Head of Revenues and Benefit Services indicated that it was his role to ensure the co-ordination of the Council's response to the Action Plan to achieve the necessary standards. Members considered that staff team meetings may be a useful tool in this process. Other motivators for staff should also be investigated.

RESOLVED – (1) That, subject to the comments made at this meeting, the draft Housing Benefit Counter Fraud Strategy and associated policies contained in the report (Financial Memo 2002/03 No.51/TC.198/02) be recommended to the City Council for approval.

(2) That monitoring reports detailing the Council's performance with the Housing Benefit Counter Fraud Strategy against performance indicators be submitted to this Committee for scrutiny every six months and that the Head of Revenues and Benefit Services provide the Head of Corporate Policy and Strategy with the relevant dates for inclusion in the Committee's work programme. The frequency of the monitoring reports to be subject of review should this prove necessary.

(3) That the City Treasurer's report (Financial Memo 2002/03 No.74) on the Internal Audit role in relation to Housing and Council Tax Benefits administration be noted.

[The meeting ended at 4.15pm]