

FINANCE AND EFFICIENCY PORTFOLIO

DECISION SCHEDULE



Thursday 24th July 2008

at 10.00 am

**in Committee Room A,
Civic Centre, Hartlepool**

Councillor Payne, Cabinet Member responsible for Finance and Efficiency will consider the following items.

1. KEY DECISIONS

No items

2. OTHER ITEMS REQUIRING DECISION

- 2.1 The Proposed Sale of Land at 7 Victoria Place, The Headland, Hartlepool –
Head of Procurement, Property and Public Protection

3. ITEMS FOR INFORMATION

- 3.1 Chief Executive's Departmental Plan 2007/08 – 4th Quarter Monitoring Report
– *Chief Financial Officer, Chief Solicitor and Director of Neighbourhood
Services*
- 3.2 Counter Benefit Fraud Report 2007/08 – *Chief Financial Officer*

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

5. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006

EXEMPT ITEMS

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

6. **KEY DECISION**

No items

7. **OTHER ITEMS REQUIRING DECISION**

- 7.1 Briarfields Update – *Head of Procurement, Property and Public Protection*
(Para 3)

FINANCE AND EFFICIENCY PORTFOLIO

Report To Portfolio Holder

24th July 2008



Report of: Head of Procurement, Property and Public Protection

Subject: THE PROPOSED SALE OF LAND AT 7 VICTORIA PLACE, THE HEADLAND, HARTLEPOOL

SUMMARY

1. PURPOSE OF REPORT

To obtain Portfolio Holder consent to proceed with the sale of land adjoining the rear of 7 Victoria Place.

2. SUMMARY OF CONTENTS

The report outlines the background to this proposal and the details of the terms by which disposal is proposed.

3. RELEVANCE TO PORTFOLIO MEMBER

Portfolio Holder has responsibility for the Council's land and property holdings.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Portfolio Holder only.

6. DECISION(S) REQUIRED

That Portfolio Holder approves the sale of this land on the terms provisionally agreed.

Report of: Head of Procurement, Property and Public Protection

Subject: THE PROPOSED SALE OF LAND AT 7 VICTORIA PLACE, THE HEADLAND, HARTLEPOOL

1. PURPOSE OF REPORT

- 1.1 To obtain Portfolio Holder consent to proceed with the sale of land adjoining the rear of 7 Victoria Place.

2. BACKGROUND

- 2.1 Due to various circumstances in past years, the Borough Council has gained title to various small pieces of land throughout the town.
- 2.2 The Council's Estates Section has been approached by the owner of 7 Victoria Place whose garage is to the rear of 6 Victoria Place. He has expressed concerns over the condition of a strip of land in the ownership of Hartlepool Borough Council adjoining his garage. This land has lacked any maintenance and attention for a number of years with the consequence that the shrubbery is growing into this owner's garage causing potential structural damage.
- 2.3 The prospective purchaser plans to incorporate this strip of land, shown under **Appendix 1** edged red into his current ownership shown edged blue to prevent further damage occurring.
- 2.4 The proposal has been submitted to the Council's One Stop Shop initiative and the planning application for change of use would not be resisted should the Council's Portfolio Holder be in agreement with the sale of the land.

3. FINANCIAL IMPLICATIONS

- 3.1 Discussions have taken place with the owner of 7 Victoria Place, details of which are contained in the Confidential **Appendix 2**. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely information relating to the financial and business affairs of a particular person (including the authority holding the information).**

4. RECOMMENDATIONS

- 4.1 That Portfolio Holder approves the sale of this land on the terms provisionally agreed.

5. CONTACT OFFICER

David Dockree – Estates Manager
Neighbourhood Services (Procurement and Property Services)
Hartlepool Borough Council

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FINANCE AND EFFICIENCY PORTFOLIO

Report to Portfolio Holder

20th June 2008



Report of: Chief Financial Officer, Chief Solicitor and
Director of Neighbourhood Services

Subject: CHIEF EXECUTIVE'S DEPARTMENTAL PLAN
2007/08 – 4TH QUARTER MONITORING
REPORT

SUMMARY

1. PURPOSE OF REPORT

To inform the Portfolio Holder of the progress made against the Chief Executive's Departmental Plan 2007/08 in the fourth quarter of the year.

2. SUMMARY OF CONTENTS

The progress against the actions contained in the Chief Executive's Departmental Plan 2007/08.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Member has responsibility for performance management issues in relation to finance, legal services and procurement.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

Portfolio Holder meeting 20th June 2008.

6. DECISION REQUIRED

Portfolio Holder is asked to notes the achievement of key actions.

Report of: Chief Financial Officer, Chief Solicitor and
Director of Neighbourhood Services

Subject: CHIEF EXECUTIVE'S DEPARTMENTAL PLAN
2007/08 – 4TH QUARTER MONITORING
REPORT

PURPOSE OF REPORT

1. To inform the Portfolio Holder of the progress made against the key actions identified in the Chief Executive's Departmental Plan 2007/08 for the period up to 31 March 2008.

BACKGROUND

1. The Performance Management Portfolio Holder agreed the Chief Executive's Departmental Plan in May 2007.
2. The Chief Executives Department is split into four divisions, with Finance and Legal Services reporting to the Finance and Efficiency Portfolio Holder. Issues relating to Corporate Strategy and Human Resources are reported separately to the Performance Portfolio Holder. Issues relating to Procurement Services, within Neighbourhood Services, are also reported to the Finance and Efficiency Portfolio Holder.
3. The Chief Executive's Departmental Plan 2007/08 sets out the key tasks and issues within an Action Plan to show what is to be achieved by the department in the coming year. The plan also describes how the department contributes to the Organisational Development Improvement Priorities as laid out in the 2007/08 Corporate Plan. It provides a framework for managing the competing priorities, communicating the purpose and challenges facing the department and monitoring progress against overall Council aims.
4. The Council recently introduced an electronic Performance Management Database for collecting and analysing corporate performance. In 2007/08 the database will collect performance information detailed in the Corporate Plan and the five Departmental Plans.
5. Each Division has also produced a Divisional Plan, detailing the key tasks and issues facing each division in the coming year. Each plan contains an action plan, detailing how each individual division intends

to contribute to the Organisational Development Priorities contained in the Corporate Plan, as well as the key tasks and priorities contained in the Chief Executives Departmental Plan. Divisional Chief Officers will have the lead responsibility for managing performance of issues and tasks identified in their divisional plans. Where appropriate, issues can be escalated for consideration by CEMT.

FOURTH QUARTER PERFORMANCE

6. This section looks in detail at how the Finance Division, Legal Services Division and the Procurement and Property Services Section within Neighbourhood Services (Procurement issues only) have performed in relation to the key actions that were included in the Chief Executives Departmental Plan 2007/08.
7. On a quarterly basis officers from across the department are asked, via the Performance Management database, to provide an update on progress against every action contained in the Departmental Plan and, where appropriate, every Performance Indicator.
8. Officers are asked to provide a short commentary explaining progress made to date, and asked to traffic light each action based on whether or not the action will be, or has been, completed by the target date set out in the Departmental Plan. The traffic light system is: -

Red	- Action/PI not expected to meet target
Amber	- Action/PI expected to meet target
Green	- Action/PI target achieved

PERFORMANCE INFORMATION

9. The action plan includes a number of Performance Indicators that will be used to measure the departments' progress. This information is currently being collected as part of the Councils' Corporate Performance Indicator year end collection process. As not all of the information is available at this time, consequently, it is proposed to report more detailed Performance Indicator information in due course.

OVERVIEW OF PERFORMANCE

10. Within the Finance and Legal Services Divisions and Procurement and Property Services there were a total of 70 actions identified in the 2007/08 Departmental Plan. Table 1, below, summarises the progress made, to 31 March 2008, towards achieving these actions.

Table1 – Finance/Legal Services/Procurement progress summary

	Finance	Legal Services	Procurement	Total
	Actions	Actions	Actions	
Completed	24	6		30
Green	15		8	23
Amber	2	6		8
Red	7		2	9
Total	48	12	10	70

11. A total of 30 actions, or 43%, have previously been completed, and a further 23 (almost 33%) have been completed in Q4. A further 2 actions are on target to be completed by the target date. However, 9 actions (13%) have been highlighted as not being on target. More information on these actions can be found in the relevant section below.

Finance Division

12. The Plan contained 48 actions that were the responsibility of the Finance Division. 24 actions (50%) have previously been completed, and 15 (31%) have been completed in Q4. Two actions have been assessed as being on target to be completed by the target date stated in the plan. Furthermore, 7 actions (14%) have been assessed as not being expected to meet target. Table 2 below details these actions, together with a comment explaining why the deadline has not been met and any appropriate remedial action.

Table2: Finance Actions not completed on target/not on target

Table 2: Insurance Actions not completed on target/not on target			
Ref	Action	Date to be Completed	Comment
Objective: Review of Interdepartmental Insurance Charging Framework			
CED710	Analysis of daims history / risks	Sep 07	Deferred until after introduction of Invoice centralisation
CED711	Financially model alternative charging bases / departmental budget impacts	Dec 07	
Objective: Implementation of FMS Phase 3			
CED715	Evaluate Alternate software arrangements	Dec 07	Deferred until after introduction of Invoice centralisation.
CED716	Determine project plan / proposal for implementation of Phase 3.	Dec 07	
Objective: Maintenance of Risk Management Framework			
CED	Undertake a Quarterly	June 07 and	Owing to the implementation of a new

Ref	Action	Date to be Completed	Comment
740	Review of the Chief Executive's departments risk register	ongoing	corporate management database updating of quarterly review in April has slipped, this should be addressed by the next update in June.
Objective: Maintenance of Risk Management Framework			
CED734	Undertake as part of the corporate risk management group quarterly review of other departmental risk registers.	Jun 07 and ongoing	Owing to the implementation of a new corporate management database updating of quarterly review in April has slipped, this should be addressed by the next update in June. As a result, CRMG meetings have been cancelled for the April review.
Objective: Extend and evaluate homeworking pilot			
CED746	Report Homeworking pilot evaluation to joint trades union group	May 07	Report further delayed as a result of JE. In addition, reference to evaluate experiences of more members of staff taking advantage of the more flexible home working arrangement.

13. Within the fourth quarter the Finance Division completed a number of actions, including: -

- Annual Engagement Strategy has been successfully implemented
- Completed a review and analysis into new CIPFA Audit Code of Practice.
- Developed BPR Strategy across Council.

Legal Services Division

14. The Plan contained 12 actions that were the responsibility of the Legal Services Division. As at 31 March 2008, 6 (50%) were completed and 50% were on target to be completed by the target date stated in the plan. As these actions are ongoing they cannot be marked as complete at present.

15. Within the fourth quarter the Legal Services Division progressed a number of actions, including: -

- Revisions to the Members code of conduct have been implemented.
- Continue to provide advice on new and existing legislation and in the implementation thereof.

Procurement and Property Services

16. The Plan contained 10 actions that were the responsibility of the Procurement and Property Services section within the Neighbourhood

Services Department. As at 31 March 2008, 8 actions (80%) have been completed and the remaining 2 (20%) have been assessed as not expected to achieve target. Table 3 below details these actions, together with a comment explaining why the deadline has not been met and any appropriate remedial action

Table 3: Procurement and Property Services Actions not completed on target/not on target

Ref	Action	Date to be Completed	Comment
Objective: Implement 5 year Procurement Plan			
CED 405	Complete Spend Analysis	Dec 07	Some progress is being made on this project using the resources currently available.
CED 407	Develop eProcurement	Mar 08	Resources and time constraints continue to affect the developemnt of e-procurement and e-tendering. EProcurement series of FMS has not been progressed.

17. Within the fourth quarter of 2007/08 the Procurement and Property Service section have progressed a number of actions including: -

- Procurement guidance is being regularly updated and published on the Intranet and Internet and modules have been programmed into the LMDP programme.
- A five year procurement plan has been developed.
- Diversity issues have been embedded into procurement.

Recommendations

18. It is recommended that Portfolio Holder: -

- notes the achievement of key actions in the fourth quarter of 2007/08.

FINANCE AND EFFICIENCY PORTFOLIO
24th July 2008



Report of: Chief Financial Officer

Subject: Counter Benefit Fraud Report 2007/08

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to provide accountability to the portfolio holder on the performance and effectiveness of the Council's arrangements for discharging its benefit counter fraud responsibilities.

2. SUMMARY OF CONTENTS

The report provides details of the Council's benefits fraud responsibilities, the framework of controls and operational activities that the Council deploys and evidence of the levels of counter fraud activity and outcomes including formal sanctions that the Council has achieved.

3. RELEVANCE TO PORTFOLIO MEMBER

The report provides accountability for a key service deliverable that is within the remit of the relevant portfolio holder.

4. TYPE OF DECISION

Non Key decision.

5. DECISION MAKING ROUTE

Finance and Efficiency Portfolio Holder only.

6. DECISION REQUIRED

Note the report.

Report of: Chief Financial Officer

Subject: Counter Benefit Fraud Report 2007/08

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to provide accountability to the portfolio holder on the performance and effectiveness of the Council's arrangements for discharging its benefit counter fraud responsibilities.

2. BACKGROUND

- 2.1. The Council annually processes and pays around £41m of housing and council tax benefit on behalf of the Department for Work and Pensions (DWP). Inherent in this administrative responsibility is a requirement to operate effective administrative procedures and verification arrangements to minimise the risk of fraud and error entering the system.
- 2.2. In addition, the Council has a responsibility to ensure that as part of its Internal Security framework it has in place a series of controls to ensure that any risk of internal fraud is minimised. In this regard, the Council ensures compliance with DWP National Performance Standards and the operation of effective control and security over:
- IT systems
 - payment and accounting mechanisms
 - recruitment
 - post opening
- 2.3. This report focuses on the Council's Counter Benefit Fraud arrangements i.e. the procedures and processes for dealing with the detection and investigation of fraud and demonstrates the action taken against identified fraud.

3. COUNTER BENEFIT FRAUD ARRANGEMENTS

3.1. Fraud Referrals

- 3.1.1 The Council recognises the importance of effective arrangements for ensuring claim processing staff only refer appropriate potential fraud cases for investigation to minimise the risk of any waste of scarce investigation resources. Effective referral arrangements also serve to give an indication of types of fraud which are becoming prevalent in the area and reaffirm the Council's reputation for rigour in claims processing.

- 3.1.2 The Council ensures effective arrangements by undertaking ongoing referral fraud awareness training of its processing staff; providing comprehensive feedback to the officer referrer when a fraud is proven and by providing regular general feedback to processing staff on the activities and success of fraud investigations activity.
- 3.1.3 The Council also appreciates the importance of encouraging referrals from all possible sources by providing a Benefit Fraud Hotline Service to allow the public or staff to report suspicions. An answer phone service is available outside of the working hours and this number is actively promoted by the Council. In addition the council's own website allows members of the public to report their suspicions on line. In 2007/8 204 cases of suspected fraud were referred by members of the public which resulted in 25 positive results

3.2. Interventions Activity

- 3.2.1. The DWP operates arrangements with local authorities to find fraud and error in live claims by the use of data matching and risk analysis. Information on the Council's benefit cases are passed to the DWP's Housing Benefit Data Matching Service (HBDMS) who match the Council's records with other DWP records to ensure the information the Council holds (and on which benefit is paid) is correct. Any mis-matches or differences in the data are identified and reported back to the Council for investigation.
- 3.2.2. The Council also uses information on high risk cases from the HBDMS to target cases for review by the Council. This review can take the form of either a formal visit to the claimant or a postal review where the claimant is required to provide details of their current financial / home circumstances.
- 3.2.3. In addition to the HBDMS the council has been piloting the use of Intercept software to assist in the targeting of activity. Sophisticated data modelling and risk techniques are used to identify claims that may be being incorrectly paid.
- 3.2.4. For 2007/8 the DWP removed the target for interventions activity. However, Interventions activity continues to have an important role as it is designed to identify fraud and error in live benefit claims that are in payment. In order to minimise incorrectness in the benefits caseload, the council in line with DWP policy is encouraging customers to report changes of circumstances and report changes promptly. In this regard the Council participated in 2007/8 in a regional / sub regional radio campaign on claimant awareness of their responsibilities.

3.3. Quality Fraud Investigations

- 3.3.1. With limited resources the Council's arrangements are concerned with ensuring that investigations are focussed to make best use of resources and to ensure that each case is thoroughly investigated and proper consideration

given to recommending closure or a sanction. The Council's arrangements comply with a number of good practices as defined by the DWP by:

- operating a Code of Conduct for investigators
- evaluating all referrals received using a scoring matrix to determine whether a full investigation is appropriate
- ensuring all Council Benefit Investigation staff have attained the Professionalism in Security (PINS) qualification (achieved in 2005/6)
- tracking all fraud referrals and progress on them by individual investigator
- ensuring all Investigation Staff are trained in effective interviewing techniques and on standards of evidence required for the application of formal sanctions
- ensuring interviews are carried out under caution in accordance with the Police and Criminal Evidence Act when the investigator has grounds to suspect that a person has committed an offence
- ensuring all investigation staff have been formally legally authorised to obtain relevant information from external organisations

3.4 Joint Working with DWP Investigation Staff

3.4.1. The Council embraces closer working with the DWP on investigations activity. A Service Level Agreement is in place (subject to quarterly review) which defines each organisation's responsibilities and assistance commitments when investigating fraud cases. These coordination arrangements maximise the application of available scarce investigation resources and assist in ensuring consistency in investigation standards and the sharing of good practice.

3.4.2. In 2007/8 a total of 49 cases were jointly investigated by the Council and the DWP. Whilst 11 of these cases are still being investigated, 16 cases have resulted in the imposition of sanctions. Namely 3 administrative penalties and 13 cautions. There are also 18 completed investigations in the process of court action with a collective DWP / Council benefit overpayment figure of £218,978.

4 SANCTIONS ACTIVITY

4.1. In cases of fraudulent activity, the overpayment of benefit that has occurred is repayable by the claimant. In addition, the Council must determine in accordance with its Prosecution and Sanctions Framework what action is appropriate. This framework provides consistency for decision making and the options available include:

- a formal caution (which is subsequently recorded on the DWP database)
- an administrative penalty which is 30% of the value of the overpayment and is payable in addition to the overpayment
- prosecution

4.2. The level of completed sanctions achieved in 2007/8 has reduced from the previous year. However the balance of sanctions has changed with more prosecutions in 2007/8 which are resource intensive to compile and take forward. Furthermore there are 18 prosecution cases which are currently being taken through the court process but which are excluded from the figures below. Due to the accounting arrangements these cases can not be included in the figures shown below unless the sanction has been applied by the Courts

Sanctions Achieved 2007/8 and 2006/7

	2007/8	2006/7
Number of Cautions	48	60
Number of Administrative Penalties	24	25
Number of Prosecutions	6	3
Total	78	88

5 RECOMMENDATION

5.1. The portfolio holder is requested to note the Council's arrangements and performance in 2007/8 on Counter Benefit Fraud activity.