

## **Deputy Leader**

**Venue: Town Hall,  
Moorgate Street,  
Rotherham. S60 2TH**

**Date: Monday, 16th April, 2012**

**Time: 9.30 a.m.**

### **A G E N D A**

1. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
3. Minutes of the Previous Meeting held on 5th March, 2012 (herewith). (Pages 1 - 2)
4. Resources Performance Report for February 2012 (herewith) (Pages 3 - 11)
5. Proposed Policy Statement for Part 2 of the Localism Act, 2011 - Government Consultation (report herewith) (Pages 12 - 18)
6. Localisation of Council Tax Support (Pages 19 - 24)
7. Revenues and Benefits Service Review (Pages 25 - 29)
8. Review of Council Tax Single Person Discounts (Pages 30 - 32)
9. Cabinet Reports (Directors to report).
10. Members' Issues (Directors to report).
11. Exclusion of the Press and Public.  
The following item is likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006 – information relates to finance and business affairs).
12. Re-integration of RBT Services (report herewith) (Pages 33 - 37)
13. Date and Time of the Next Meeting.

DEPUTY LEADER - 05/03/12

**DEPUTY LEADER**  
**5th March, 2012**

Present:- Councillor Akhtar (in the Chair).

Apologies for absence were received from Councillors Gosling and Sims.

**N37. MINUTES**

Resolved:- That the minutes of the meeting held on 6th February, 2012 be approved as a correct record.

**N38. RBT PERFORMANCE REPORT FOR JANUARY, 2012**

Sarah McCall, Contracting Officer, Commissioning, Policy and Performance, presented the report which summarised RBT's performance against contractual measures and key service delivery issues for January, 2012 across the areas of:-

- Customer Access.
- Human Resources and Payroll.
- ICT.
- Procurement.
- Revenues and Benefits.

Full details of performance against operational measures for January, 2012 for all workstreams were set out in detail as part of the report and further explanations provided on various matters.

Resolved:- (1) That RBT's performance against contractual measures be noted.

(2) That there be an item on each future agenda to discuss RBT Service Reviews.

**N39. CABINET REPORTS**

Various items from the agenda for the Cabinet meeting to be held on 14th March, 2012 were discussed.

**N40. MEMBERS' ISSUES**

Updates were provided on the following:-

- discussions with the Trades Unions
- staffing at Swinton Comprehensive School
- national discussions on Pensions arrangements
- Council Tax collection

**N41. DATE AND TIME OF THE NEXT MEETING**

Resolved:- That a further meeting be held on Monday, 16th April, 2012 at 9.30 a.m.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Deputy Leader's Meeting</b>
<b>2.</b>	<b>Date:</b>	<b>16<sup>th</sup> April 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Resources Performance Report for February 2012</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

## **5. Summary**

The Cabinet agreed to the establishment of a Resources Directorate from December 2011. From February 2012, the Council took over operational control of services previously provided by RBT following the ending of the RBT Partnership by the Council and BT. Many of the former RBT services sit within the Resources Directorate

Regular reports were provided to the Deputy Leader until January 2012 identifying the performance of RBT in delivering a range of performance and contractual targets. This report summarises the performance by RBT and the Resources Directorate against current measures and key service delivery issues between April 2011 and February 2012 across the areas of:

- Customer Access
- Human Resources & Payroll
- ICT
- Procurement
- Revenues & Benefits

The Resources Directorate is currently in the process of determining its key priorities and service plans for 2012/13. Once completed, regular updates on progress and performance will be provided to the Deputy Leader in all areas including the former RBT service listed above and covered by this report.

## **6. Recommendations**

The Deputy Leader is asked to note the very good service performance achieved against key measures.

## 7. Proposals and Details

The Strategic Partnership between RMBC and British Telecom officially completed on 1<sup>st</sup> February 2012. Due to this there are no longer any contractual or financial obligations or penalties in place, although performance is still being monitored and will be reported in the current format until a new reporting regime is determined.

Performance over the duration of the partnership was very positive, with well over 90% of all Strategic and Operational measures achieved or exceeded across all services.

### 7.1 Customer Access

#### 7.1.1 *Overall Performance*

All Customer Access measures either achieved or exceeded their targets during February 2012.

#### 7.1.2 *Riverside House*

The Customer Service Centre continues to operate smoothly.

The General Register Office has confirmed that they will complete a full inspection of Rotherham's Registration Service week commencing 18th June, 2012.

#### 7.1.3 *Consolidation of Services*

Since the 20th February the Riverside House Customer Services Centre has successfully been delivering the Blue Badge/concessionary travel service to customers. It is planned that this service will be offered from satellite CSC's from the following dates:

Maltby 26th March, 2012  
Swinton 2nd April, 2012  
Aston 23rd April, 2012  
Dinnington 30th April, 2012

Work is progressing to integrate the customer access functions of the licensing service, which has recently relocated to Maltby Leisure and Service Centre. The Service Manager met recently with colleagues from licensing and all parties are working towards a provisional date for go-live in Maltby of the 14<sup>th</sup> May.

### 7.2 Human Resources and Payroll (HR&P)

#### 7.2.1 *Overall Performance*

All HR&P targets for measures were either achieved or exceeded during February 2012.

#### 7.2.2 *Payroll*

Details of the new tiered bandings for Teacher's Pension were received in early February. New regulations require re-banding to take place each month based on pensionable earnings with any retrospective earnings reviewed as if paid on the

actual date. System changes are in the process to accommodate the new rules. A flyer announcing the new changes has been sent to every school with a payslip message included in February. The new Local Government Pensions Scheme (LGPS) banding values were also received and input to the PSe system. LGPS differs from the Teacher's pension scheme in that the re-banding is undertaken once a year in April. A team briefing was distributed to highlight the new banding values with a payslip message included for March.

The average annual leave entitlements for employees working variable hours were completed and distributed at the end of February.

### 7.2.3 *Current/Upcoming Projects*

Doncaster MBC announced the intention in early February 2012 to enter into an 8 year agreement with Rotherham MBC for shared HR and payroll services. Doncaster will be transferring approximately 50 employees under TUPE arrangements to Rotherham Council from 1 April 2012.

## 7.3 ICT

### 7.3.1 *Overall Performance*

All ICT measures either achieved or exceeded their targets during February 2012.

7.3.2 A Corporate ICT Manager was appointed on March 1st with Richard Copley being the successful candidate. One of the first tasks for the ICT management team was to begin a review and restructure of the ICT Service, details of which are included in a separate report to the Deputy Leader.

## 7.4 Procurement

### 7.4.1 *Overall Performance*

All Procurement measures either achieved or exceeded their targets during February 2012.

### 7.4.2 *Payment of Invoices*

Performance against former BVPI8, payment of undisputed invoices within 30 days, achieved 95.56% in February, giving a year to date position of 94.31%.

### 7.4.3 *Addressable Spend & Savings Tracking*

Addressable spend and savings figures are as follows:

Savings in month of January 12 (£)	Savings year to date (£)	Forecast Savings to year end (£)	Addressable Spend in Month of February 2012 (£)	Addressable Spend total 2011/12 (£)
£362,070.94	£2,956,626.70	£2,956,626.70	£1.944M	£17.550M

## 7.5 Revenues and Benefits

### 7.5.1 *Council Tax*

As at the end of February 2012 the Council Tax Collection rate stood at 95.21%, which is up 0.3% on the same point in 2010-11. The year-end target is for RBT to achieve a Council Tax Collection Rate which places Rotherham in the upper performance quartile for Metropolitan District Councils, with a minimum collection level of 97% regardless of quartile position.

The following table illustrates recovery action taken in the year to date compared with the same point in 2010-11:

<b>Council Tax Collection – Recovery Procedures</b>		
<b>Documents Issued</b>	<b>At February 2012</b>	<b>At February 2011</b>
Reminders	40,325	43,911
Summonses	11,606	13,658
Liability Orders	8,554	9,148

The total number of Council Tax Liability Orders that had been referred to the bailiff during the financial year to date is 4,507.

The average number of days taken to action a Council Tax Change of Circumstance was 8.93 days during February 2012.

As at the end of February 2012, 60.59% of Council Tax payments had been made by direct debit.

### 7.5.2 *NNDR*

NNDR collection performance stood at 96.51% at the end of February 2012, which is 0.2% down on the same point in 2010-11.

The NNDR collection figure has been adjusted to incorporate the effect of the NNDR Deferral Scheme. The year-end target for NNDR collection remains a collection rate which places Rotherham in the upper performance quartile for Metropolitan District Councils, with a minimum collection level of 98.5% regardless of quartile position.

The following table illustrates the current levels of recovery action being taken:

<b>NNDR Collection – Recovery Procedures</b>		
<b>Documents Issued</b>	<b>At February 2012</b>	<b>At February 2011</b>
Reminders	3,795	5,134
Summonses	1,204	1,267
Liability Orders	575	730

284 Business Rates Liability Orders have been referred to the bailiff during the financial year to date.

With reference to the NNDR Deferral Scheme, the number of active cases currently stands at 10 allowing for a deferral of £570.49

### 7.5.3 Other Measures

Performance against the remaining Measures remains positive.

### 7.6 Complaints

The following complaints were closed during February 2012:

Description	Lessons Learnt	Service	Status	Time Taken
Complaint against the delay in processing the claim, following tribunal decision	Not upheld - the service were adjudged to have acted appropriately and to have administered the case as promptly as possible given the delay in obtaining information from the DWP	Benefits	Not upheld	9 days
Complaint regarding being needlessly called to court	This was upheld as the customer was not advised that court action had been suppressed and therefore attended court. Additionally the officer on site did not inform the customer of the suppression and instead sought to agree a repayment schedule. Action has been taken within the service to ensure that customers receive notification and that staff attending court has an up-to-date view.	Council Tax	Upheld	9 days
Customer complaint that her former Council Tax account was incorrectly passed to bailiffs when she was not in arrears.	This was partially upheld as whilst the account was in arrears and had not been maintained there was evidence of a customer query not being responded to in order to further clarify the arrears for the customer. The member of staff has been spoken to and the wider team made aware of the consequence.	Account Management	Partially Upheld	8 days



Description	Lessons Learnt	Service	Status	Time Taken
Customer complaint (via Strategic Director of Finance) that the customer received several confusing and contradictory letters over his benefit entitlement.	Carried over	Benefits		

## 8. Finance

There are no direct financial implications arising from this report.

## 9. Risks and Uncertainties

Work is now underway to determine a future performance framework and reporting regime, taking into consideration, the needs and requirements of the Strategic Leadership Team and Elected Members.

## 10. Policy and Performance Agenda Implications

The services above are responsible for key areas of service delivery and therefore have a significant role in the delivery of key national and local performance indicators. These services also support all Council Directorates enabling them to deliver against Corporate Plan outcomes.

## 11. Background Papers and Consultation

Performance for the former RBT services during February 2012.

### Contact Name:

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Measure	Ref	Target	February	Status	Comments
<b>Customer Access</b>					
Cost per Transaction (Face to Face)	CAO1	£4.50	£2.98		Annual measure, reported quarterly 1 month in arrears; smaller is better target.
First Contact Resolution by Channel (Face to Face)	CAO3	97.5%	100.0%		
First Contact Resolution by Channel (Telephony)	CAO3	95.5%	100.0%		
Average Call Quality Assessment (Face to Face)	CAO4	95.0%	99.3%		
Average Call Quality Assessment (Telephony)	CAO4	95.0%	95.0%		
% of Contact not Abandoned (Face to Face)	CAO5	85.0%	99.6%		
% of Contact not Abandoned (Telephony)	CAO5	90.0%	96.0%		
Complaints Handling	CAO7	90.0%	100.0%		Annual Measure
Provision of Management Data	CAO9	100.0%	100.0%		
<b>HR &amp; Payroll</b>					
Accuracy of Contracts	HRO1	95.0%	100.0%		
Accuracy of Payment	HRO2	99.5%	99.9%		
% of Enquiries Resolved at First Point of Contact	HRO3	80.0%	98.9%		
P45s issued within 3 working days	HRO4	98.0%	100.0%		
Manual Cheques issued within 1 working day	HRO5	98.0%	100.0%		
Non-Statutory Returns by Due Date	HRO6	100.0%	100.0%		
Quality of Information Given to Caller	HRO7	90.0%	100.0%		
% Contracts of Employment Issued within 15 working days	HRO8	90.0%	100.0%		
CRB Process	HRO9	95.0%	100.0%		
Provision of Management Data	HRO10	100.0%	100.0%		
<b>ICT</b>					
% Availability of RMBC Voice & Data Network	ICTO1	99.0%	99.99%		

% Availability of Business Critical Applications	ICTO2	99.0%	99.30%		
% Availability of Telephony Systems	ICTO3	99.0%	100.00%		
% Faults Fixed in Agreed Timescales	ICTO4	94.0%	96.79%		
% ICT Change Requests Completed in Agreed Timescales	ICTO5	95.0%	95.56%		
% Complex Change Requests Completed to Agreed Specification	ICTO6	85.0%	88.89%		
First Contact Resolution	ICTO7	30.0%	49.57%		
% Print Jobs Completed as Agreed	ICTO8	95.0%	100.00%		
Anti-Virus Measure	ICTO9	N/A	98.88%		Current position at the end of the contract. Baselineing was being undertaken prior to target being negotiated.
Average Time Taken to Answer Calls	ICTO10	85.0%	96.31%		
<b>Procurement</b>					
% Catalogued Goods or Services Delivered within Lead Times	PO1	88.72%	98.66%		
% Cheque Requests Processed on Next Available Payment Run	PO2	98.46%	100.00%		
% Undisputed Invoices Input within 25 calendar days	PO3	99.22%	99.79%		
% non-eRFQ Open Requisitions Consolidated into Purchase Orders	PO4	78.00%	84.82%		
% Framework Agreements Risk Assessed for Impact on Local Economy	PO5	96.00%	100.00%		Quarterly measure, additional information for tracking
% Framework Agreements Developed with consideration given to Sustainability	PO8	98.00%	100.00%		Quarterly measure, additional information for tracking
Provision of Management Data	PO9	100.00%	100.00%		
<b>Revenues &amp; Benefits</b>					
% Council Tax Collected	RBO1	97.0%	95.21%		Annual measure, information for monitoring
% NNDR Collected	RBO2	98.5%	96.51%		Annual measure, information for monitoring
Time Taken to Process HB/CTB New Claims and Change Events	RBO3	12 days	12.79 days		Annual smaller is better measure, information for monitoring
Number of Fraud Prosecutions & Sanctions per 1000 caseload	RBO4	4.20	7.36%		Annual measure, information for monitoring
Cumulative Council Tax Arrears as compared to Council Tax Year End Total Collectable Debt	RBO5	TQM	-		Annual smaller is better measure; information not available until year end
Year End Council Tax Write Off as % of Collectable Debt	RBO6	TQM	0.1586%		Annual smaller is better measure, information for monitoring
Number of Changes in HB/CTB Entitlements within the year per 1000	RBO7	TQM	-		Annual measure; information not available until year end

Level of LA Overpayments not to exceed LA Error Local Subsidy Threshold	RBO8	<0.48%	0.25%		Annual smaller is better measure
Total Amount of HB Overpayments recovered in period as % of HB Overpayments outstanding	RBO9	41.0%	48.70%		Annual measure
% New Benefit Claims Decided within 14 days of Receipt	RBO10	92.5%	93.65%		Annual measure, information for monitoring
Total Amount of HB Overpayments written off during the period as % of Total Amount of HB Overpayments	RBO11	<6.99%	2.00%		Annual smaller is better target, information for monitoring
% Applications for HB/CTB Reconsideration / Revision Actioned & Notified within 4 weeks	RBO12	90.0%	90.99%		Annual measure, information for monitoring
% HB/CTB Appeals Submitted to the Tribunal Service in 4 weeks	RBO13	90.0%	100.00%		Quarterly measure, information for monitoring
Provision of Management Data	RBO14	100.0%	100.00%		
First Contact Resolution	RBO15	85.0%	98.20%		Quarterly measure, information for monitoring

Key:					On track to meet target
					Slightly behind target
					Target failed
					Unclassified / Target and/or performance unknown

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Deputy Leader of the Council</b>
<b>2.</b>	<b>Date:</b>	<b>16<sup>th</sup> April 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Proposed Policy Statement for Part 2 of the Localism Act, 2011 – Government Consultation</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources</b>

### **5. Summary**

Part 2 of the Localism Act 2011(c. 20) provides a new discretionary power for the Government to require a public authority to pay all or part of any financial sanction imposed by the European Court of Justice for non-compliance (infraction) with any European obligation, where such a sanction has been imposed and the public authority demonstrably caused or contributed to that sanction.

Section 49 of the Act requires the Government to consult on a policy statement on the application of Part 2.

The Overview and Scrutiny Management Board considered a proposed response to the consultation at its meeting on 13<sup>th</sup> April. The views of scrutiny will be reported at the meeting. Subject to the views of scrutiny, this report provides recommendations for a response to the Government's consultation.

### **6. Recommendations**

**That the Deputy Leader:-**

- a) Consider the recommended response and any views expressed by scrutiny;**
- b) Agree a response to the Government's consultation.**

## **7. Proposals and Details**

Part 2 of the Localism Act 2011(c. 20) Act gives discretionary power to the Government to require a public authority to pay all, or part, of a financial sanction imposed on the UK by the Court of Justice of the European Union. The Act sets out the processes for using the provisions of Part 2 including a requirement for the Government to issue a policy statement covering the operation of this Part of the Act. Part 3 of the Act covers EU Sanctions in relation to Wales.

The Government is required to consult on the policy statement and poses 12 questions as part of the consultation.

The issue of EU sanctions is not new, and the Government set out that the UK has never faced any financial sanction. The new provisions, however, would lead to the Government being able to pass on any sanction to those alleged to have been at fault.

The proposed policy statement is set out in three chapters plus an annex; and asks 12 questions. Chapter two is relevant to the devolved administrations and local government. Only the local government contents is covered in this report.

### **Chapter 1 – Context**

In this chapter, the Government set out the rationale, stating that there has never been any sanction against the UK and suggesting that the provisions of Part 2 of the Act will provide an incentive for public authorities to comply in future.

It makes reference to the creation of an independent panel to advise when action is taken under Part 2 and the requirement on it to have regard to the policy statement.

It also makes reference to where a private company has such public functions, that the default position would be to use any existing regulatory framework.

The chapter also gives commitment that should there be a requirement to revise the policy statement, that the Government work with appropriate bodies and consult on any revisions.

### **Chapter 2 – Local government**

This chapter sets out that the Government would involve local government or a suitable representative body if appropriate ahead of, and during negotiations on new EU laws (those negotiated after the Act has come into force) and ahead of transposition into domestic law. When defending a potential infraction case, the Government would also liaise with any local authority directly involved in the case, including prior to any referral to court.

### **Chapter 3 – Key principals**

This chapter sets out four principals. These are stated as:-

**Working in partnership** – the Government, as a matter of good practice, would seek to engage with affected parties when negotiating and transposing EU laws. This would help to ensure that expertise, knowledge and experience of external parties is drawn upon as the UK Government formulates its position and approach.

**Transparency and no surprises** – authorities would be given the time and opportunity to put things right before being asked to pay. The use of the provisions should never come as a surprise. The Minister would consult any public authority in good time before seeking to designate it by Order. Only actions, or inactions, by an authority which occur following designation will be taken into account when passing on a financial sanction.

**A fair, reasonable and proportionate process** – the use of Part 2 provisions would be fair, reasonable and proportionate. There would be an independent advisory panel which would make recommendations to the Minister. Authorities would not be held responsible for breaches of EU law that were not within their power to avoid, and would only be fined if they have demonstrably caused or contributed to the infraction in relation to which the financial sanction was imposed. Authorities would have opportunities to make representations. Decisions would be evidence-based and transparent.

**Ability to pay** – once the fair and reasonable apportionment of responsibility for the payment of the financial sanction has been decided, the authorities involved would have a further opportunity to make representations, this time on their ability to pay. If the Minister accepts that an authority could not pay its full share of the costs, then the Minister may decide that a lower amount would be appropriate or that the payment could be made over a longer period. The UK Government would cover the cost of any shortfall, and there would not be any re-apportionment to other organisations involved. The provisions in the Act are not about the recovery of every last pound of any financial sanction imposed on the UK Government but are about consistency in financial and legal responsibility.

An independent advisory panel will consider representations as part of the process. The panel would have a terms of reference as set out in the appendix to the policy document. The panel may consist of one member. The member(s) and Chair would be appointed by the Government.

The independent advisory panel would take various matters into consideration, which could include whether:

- the UK Government had contributed to or caused the infraction of EU law;
- the UK Government had taken all reasonable steps to comply and bring about compliance;
- the UK Government had acted in accordance with the Act and with regard to this policy statement;
- the UK Government had effectively transposed the EU law into domestic law and made public authorities aware of this - this awareness could come from various means, including involvement with suitable representative bodies as appropriate, public consultation documents and guidance, and promulgation approaches such as Government websites;

- the public authority had a legal obligation;
- compliance was within the public authority's control;
- the public authority had taken all reasonable steps to comply;
- a significant number of other public authorities had or had not complied on the same issue; and
- the level of cooperation demonstrated by the public authority when working with the UK to resolve an initial infraction.

## **8. Finance**

Whilst there have been no sanctions imposed on the UK, there are instances where sanctions have been imposed on other EU member states.

Financial sanctions could be significant with a minimum lump sum of €8.992 million, based on the UK's GDP, and potential additional daily or periodic penalty payments. Financial sanctions incurred by other countries illustrate how this could work. For example, in a Spanish bathing water case, the levy was €624,000 per year for each 1 percent of bathing waters in breach of the relevant Directive. In a French fishing case, the levy was a €20m lump sum financial sanction and €58m every six months until resolved.

## **9. Risks and Uncertainties**

There are no risks arising if the Council is not subject to any non-compliance leading to any warnings or sanctions. It will be for the Council to ensure continuing compliance.

There could be a risk that at some time the Council could be implicated in a non-compliance where the non-compliance was the responsibility of other public sector bodies.

It is not possible to estimate the likelihood of any financial risks arising.

## **10. Policy and Performance Agenda Implications**

The consultation covers draft policies for implementation of Part 2 of the Act as required by the Act.

The proposals are neutral in relation to the Council's policy priorities as set out in the Corporate Plan.

## **11. Background Papers and Consultation**

Proposed policy statement for Part 2 of the Localism Act 2011.

<http://www.communities.gov.uk/publications/localgovernment/part2localismact>

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Appendix

## Consultation questions

**Question 1**

**Do you have comments on the context in Chapter 1?**

The chapter sets out a reasonable context for the provisions; however, there are suggestions that the legal context set out in section 2 is not correct.

**Question 2**

**Do you have comments on the purpose or relevance of this policy statement?**

The policy statement is relevant.

**Question 3**

**Do you have comments on how the powers on non-devolved matters would be applied and the role of devolved administrations?**

This question is not relevant to the Council.

**Question 4**

**Do you have comments on the proposed approach in relation to local government?**

The Council welcomes the commitment to a partnership approach. However, the proposals appear to be a somewhat one-sided partnership with the Government being the final arbiter. We would have expected the policy to provide for some form of real independent arbitration where there is a failure to agree.

We welcome the engagement of local government in making representation on proposed new EU law. However, it is noted that local government will not have the same ability to resist the imposition of new EU law as that afforded to the Government. We also note that there is much existing EU law applying to the duties of local government that have not been subject to the partnership approach set out in the policy.

We welcome the commitment to work with stakeholders and consult on any revisions to the policy.

**Question 5**

**Do you have comments on whether public authorities, which are not local authorities, would wish to see equivalent provisions for involvement? If so, please explain what these would be and how any capacity constraints, such as for smaller organisations, could be managed.**

It would seem reasonable that any organisation capable of being designated under the process should be brought within the provision of the policy.

**Question 6**

**Do you have any comments on the principle and general application of working in partnership?**

The principles appear fair.

**Question 7**

**Do you have comments on the processes for designation and the time and opportunity given for corrective action?**

We support the principles, however, these will need to be effectively translated into practice. We would expect the process to reflect the extent to which any authority has been engaged in the matter; and that timescales etc to be reasonable and practicable.

**Question 8**

**Do you have comments on the process for passing on fines?**

We do not consider the principles of the process to be reasonable, where the Minister makes the final decision. We believe that there should be some form of independent arbitration.

Additionally, to be fully transparent we would expect that in the passing on of any sanction, the authority should have access to all documentation of any kind relating to the making and passing on of the sanction.

**Question 9**

**Do you have comments regarding the level of detail to cover in this policy statement on criteria to establish the authority's ability to pay the apportioned EU financial sanction? Or is that best left to be defined in individual circumstances?**

We have set out in our response to question 8 our concern about the final decision resting with the Minister.

Given that this is to be the case, it would be helpful if the policy statement could include or be accompanied by rules of evidence that would be used.

**Question 10**

**Do you have comments regarding the membership of an independent advisory panel, including how panel members are selected?**

We are concerned that all panel members will be ministerial appointments. We believe that notwithstanding any intention otherwise, the panel will not be seen as independent, especially given that the Minister will also make the final decisions. We are also concerned that the panel could consist of one member.

We would suggest that to comply with the principles set out in the consultation paper, that the Government revise its proposals for panel membership to provide for stakeholder members and perhaps an appointment from the judiciary.

**Question 11**

**Do you have comments on the broad terms of reference under Annex A?**

We contend that it is not possible for the panel to act as an independent body as constituted and that its remit is also clearly to work to the Government.

**Question 12**

**Do you have comments on the approach regarding achieving compliance and ending liability?**

Compliance will not always necessarily be straightforward where several agencies are involved. The Government should set out clearly how compliance is intended to be achieved in complicated circumstances and how differences between agencies would be reconciled.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1)</b>	<b>Meeting:</b>	<b>Deputy Leader</b>
<b>2)</b>	<b>Date:</b>	<b>16<sup>th</sup> April 2012</b>
<b>3)</b>	<b>Title:</b>	<b>Localisation of Council Tax Support (Council Tax Benefit)</b>
<b>4)</b>	<b>Directorate:</b>	<b>Resources</b>

### **5. Summary**

This report sets out the implications of the proposed introduction of a localised Council Tax Support scheme in April 2013. This will be replaced by a locally designed and managed scheme but there will be a 10% reduction in funding for Council Tax Support. In Rotherham's case this would lead to an estimated loss of £2.3m in support for the costs of Council Tax Benefit.

Authorities will have discretion to develop and manage their own scheme of Council Tax support subject to Government guidelines: pensioners will be protected and schemes should be compatible with the Universal Credit and support incentives to work.

The report outlines the main considerations that will have to be taken into account in designing Rotherham's scheme together with the potential risks and uncertainties for the authority. The potential implications for affected claimants are also identified.

### **6. Recommendations**

**Cabinet Member is recommended to note:**

- **The contents of the report; and**
- **The proposed outline timetable for the development and implementation of localised Council Tax Support.**

## 7. Proposals and Details

**7.1 Background to Localised Council Tax Support (CTS) - Council Tax Benefit (CTB)** is an income related benefit administered by local authorities on behalf of the Department for Work and Pensions (DWP). Local authorities are currently fully subsidised by the government for CTB payments.

It is proposed, from April 2013, that CTB will be abolished and replaced by a system of Council Tax Support (CTS), which will be designed and managed locally. Under the new regime, support will take the form of discounts within the Council Tax system rather than benefit payments.

Local authorities will be free to design and administer their own schemes based around broad parameters set by the government. Pensioners will be protected and should see no change in their benefits. Proposals should also support incentives to work delivered through the proposed Universal Credit. However, the grant given to local authorities to fund the new system will be 10% less than for CTB – this is intended to save £0.5bn nationally. **In Rotherham's case this is likely to mean a reduction of £2.3m in available resources to provide Council Tax Support.**

There are suggestions from Government that local authorities may also wish to protect other potentially 'vulnerable' groups from reductions in CTS. For example, The Department for Communities and Local Government (DCLG) has highlighted local authorities' responsibilities under the Child Poverty Act, Disabled Persons Act, the Chronically Sick and Disabled Persons Act and the Housing Act.

**7.2 Implications for Rotherham** - The estimated total cost of CTB for 2011/12 is £22.6m. As stated, a 10% grant reduction therefore equates to £2.3m, which will fall on Rotherham Council Tax payers.

The proposals include protection for pensioners (who will face no reduction in the support they receive). Currently, of the 29,909 CTB claimants in Rotherham, 44.9% are classed as pensioners. Protecting pensioners would therefore mean an 18.2% reduction in support for other claimants. This is without protecting any other vulnerable groups.

In addition to the reduction in grant to fund future Council Tax Support payments, the Council will have an additional administrative burden which has been recognised by Government under the "New Burdens Doctrine". Outline details indicate that the Council will receive a grant (likely to be about £80,000) to fund the introduction of a new, local scheme.

It is estimated that these proposals combined with the proposed overhaul of the Government's welfare system (excluding housing) could reduce incomes across the borough by £30m per year.

**7.3 Implications for Claimants** - the initial assessment of how the reduction in support for claimants will take effect suggest that under the new regime working age CTS claimants will, on average, have to pay £132.05 in Council Tax annually from April 2013. The protection of vulnerable groups other than pensioners will further increase the payable amounts for other working age CTS claimants.

**7.4 The considerations for a local scheme** - the Council needs to determine its approach to the introduction of a local CTS scheme. Within this, there is a range of policy options to consider:

Will the Council have a stand alone scheme or participate in a regional/sub regional scheme with neighbouring authorities? - the proposed legislation includes provision for authorities to work together to develop and operate a shared scheme. Such an approach would ensure consistency between authorities and could result in cost savings. A joint scheme would however, reduce an authority's freedom to tailor proposals to its local situation and caseload and could therefore not deliver the necessary 10% reduction for all participating authorities.

In addition, within any scheme the Council will have to decide:

- Whether it will implement the 10% reduction in full or provide a top up from its own resources?
- Whether any groups other than pensioners will be protected? Options could include those with disabilities or dependants however the more groups who are protected will result in larger Council Tax bills for those who are not protected
- Whether benefit rates should be restricted based on Council Tax Band e.g. no benefit paid above Band D tax levels? However, it is anticipated that a large proportion of the claimants in the higher banded properties are owner/occupier pensioners and will as such be protected from the effects of the changes.
- The treatment of issues like Second Adult Disregard, client capital and savings, earnings and other benefits income?
- How the scheme will help incentivise claimants into work?
- How it will handle claimant CTS appeals?
- How it will tackle and minimise the risk of fraud and error, particularly if, as proposed, the responsibility for this transfers to the DWP Single Fraud Investigation Service?

**7.5 The plan for Rotherham** - a multi disciplinary project team is being set up to work on the development and introduction of Rotherham's CTS scheme.

The Council's software supplier Northgate have produced a Financial Modelling tool (using live data from the Council's current benefits caseload) which will allow the development of a number of scheme options that will deliver the 10% cost reduction. The software will be installed on 14<sup>th</sup> April 2012 and modelling work will be commenced immediately.

Appendix A (attached) gives a proposed outline timetable for the introduction of CTS in Rotherham which is based on the Government's expected legislative timetable. The dates and actions will become more specific as the project develops and the legislation is passed.

## **8. Finance**

Clearly the proposal has significant financial implications for the Council. As indicated, support for Council Tax will be reduced by 10% - £2.3m.

The Government is proposing to allocate the Council with an additional grant allocation to cover the expected costs of introducing a new, local Scheme. The value of the grant is expected to be circa £80,000.

## **9. Risks and Uncertainties**

**9.1 Funding for the scheme** – there is currently considerable uncertainty about the level and distribution of government support to authorities which is outlined in section 8 above. As the position is clarified further details will be reported to members

**9.2 Council Tax Collection Rates** - the proposals transfer the risks associated with Council Tax Benefit from central government to local authorities with implications for the Council Tax Collection rate. Based on current figures an additional £2.3m extra Council Tax will have to be collected from claimants in order to maintain collection rates at present levels. £2.3m is broadly equivalent to 2.5% on the collection rate. There is also likely to be an increase in the cost of collecting Council Tax as a result of an increase in debt recovery activity workloads.

**9.3 Fluctuations in Caseload** – the economic downturn has resulted in a steady increase in CTB claims (this year the rise has been 2.9%) and there is no sign that this trend will change in the near future. Under the new scheme consideration will need to be given to potential in year fluctuations in demand for Council Tax Support. Some local authorities have already signalled the possibility of setting aside contingency funds to minimise the impact of a potential increases in year demand.

**9.4 Other Risks** – authorities and groups like SIGOMA have expressed concerns that the time allowed for devising, consulting upon and implementing an effective CTS scheme is a very short and challenging.

Aside from the major risks outlined above there remain many technical issues to resolve during the next year so as to ensure that financial systems are able to process CTS in accordance with a new local scheme.

The success of the scheme has reputational implications for the Council particularly if it comes under challenge resulting in judicial review.

## 10. Policy and Performance Implications

As indicated the proposals could have an adverse effect on the levels of Council Tax collection in the Borough.

## 11. Background Papers and Consultation

- DCLG - Consultation on Localising Support for Council Tax – 2<sup>nd</sup> August 2011
- DCLG – Outcomes of Consultation on Localising Support for Council Tax – 16<sup>th</sup> December 2011
- Local Government Finance Bill 2011

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## **Appendix A**

### **Local Council Tax Support (CTS) Project Timetable**

#### **Autumn-Winter 2011/12**

- Government publishes a response to the consultation. (published 16/12/11)
- Introduction of Local Government Finance Bill (included provisions for localisation of council tax support).
- Central and local government begin working on model schemes.

#### **Spring 2012**

- Primary legislation in passage through Parliament.
- Government preparing and consulting on draft secondary legislation.
- Technical consultation on grant distribution
- Liaison with neighbouring authorities
- Modelling local scheme options – outcomes to be considered by relevant stakeholders

#### **Summer 2012**

- Primary legislation passed.
- Secondary legislation prepared.
- Work towards finalising the design of a local scheme; scoping IT changes.

#### **Autumn / Winter 2012/13**

- Secondary legislation passed (early Autumn).
- Grant allocations published
- Consultation with members on proposed scheme and agree any revisions
- Carry out formal consultation in conjunction with major precepting authorities, other stakeholders and local residents; agree any revisions to scheme
- Technical changes to IT systems to begin
- Rotherham to adopt local scheme (by 31/01/13)
- Publicity and promotion of the scheme
- Staff and partner training
- Transfer of CTB caseload to CTS scheme
- Testing of new scheme on Northgate software

#### **Spring 2013**

- Local schemes in operation (1/4/2013)

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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1)	<b>Meeting:</b>	<b>Deputy Leader</b>
2)	<b>Date:</b>	<b>16<sup>th</sup> April 2012</b>
3)	<b>Title:</b>	<b>Revenues and Benefits Service Review</b>
4)	<b>Directorate:</b>	<b>Resources</b>

## 5. Summary

This report summarises the progress made in reviewing the Council's Revenues and Benefits function since its reintegration into the Council's Resources Directorate with effect from 1<sup>st</sup> February 2012, as part of the successful conclusion of the Council's strategic partnership with BT.

The proposals contained within the report involve a reconfiguration of resources. The new arrangements emphasise the need to focus on helping to **sustain the excellent performance** achieved by the function in maximising future income collection levels for the Council while supporting those most in need in the Borough through the provision of timely and accurate assessment of benefits due to them.

The proposals have been aligned with those coming forward from the other service reviews, in particular Customer Services, being completed as part of the reintegration of all former RBT functions.

## 6. Recommendations:-

**Note the contents of the report, the staffing implications arising from the proposal and the timescales for implementation**

**Support the structural changes set out in the report**

## 7. Proposals and Details

### Background

The Revenues and Benefits function is a **highly performing service** which has and continues to be recognised through key performance measures, external regulators, customer feedback and key stakeholders. For example, in:

- 2011/12 Council Tax in year collection is 97.7% (97.4% in 2010/11; 5<sup>th</sup> best Metropolitan Council);
- 2011/12 Business Rates (NDR) in year collection 98.1%;
- 2010/11 Benefits overpayments collection 53.4% (best Met. Council when last reported);
- 2010/11 Benefits Administration net costs after subsidy was £7.90 for Rotherham compared with £22.70 nationally; and
- 2011/12 Telephone contact – only 1.52% of calls abandoned, 93% of calls answered within 21 seconds.

This level of excellent performance has been achieved at a time when the service has seen substantial increases in workload, for example, Benefit caseloads have increased by 24% and Council Tax outstanding liability orders have increased by 39% since 2003. In addition there has been a significant expansion of the Council's Customer Service Centre offering, in the main, for Revenues and Benefits advice. This is primarily happened over recent years largely resulting from the economic and financial difficulties facing residents and their families.

As workloads have increased, available resources to manage the service have been substantially reduced. Since 2003, the service has **seen a 35% reduction in FTE staff**. **The cost of providing the service in 2011/12 is forecast to be £4.571m which includes the Revenue and Payments team (£0.57m) previously located in the Council's Neighbourhoods and Adult Services Directorate.**

Sustaining such high performance has been achieved through the proactive and positive attitude of the Service to change through innovation and transformation.

The major challenge facing the Service is the Government's proposed Welfare Reform Programme. This will initially see the introduction a new, localised Council Tax Benefit Scheme for Rotherham, with effect from 1<sup>st</sup> April 2013. Although a lot of the detailed Regulations and Proposals from Government are as yet not fully known, the Council does know that any Scheme will have to be managed and operated with at least 10% less funding, which equates to about £2.3million a year. In addition, depending on the design of a local scheme, vulnerable groups eg pensioners, may well be afforded protection and therefore other less vulnerable groups may have to absorb a greater reduction in Benefit.

The likely implications of any new scheme will be a significant increase in workload for the Revenues and Benefits teams, for example:

- It is estimated that 17,000 council taxpayers will have more council tax to pay; and

- A large proportion of this new debt is likely to result in additional debt recovery action having to be taken – for example, it is anticipated that an additional 10,000 liability orders will be obtained; which would be more than double the current number.

Further planned legislative changes will result in a general reduction in welfare benefit and housing benefit entitlement for claimants in Rotherham leading up to the introduction of Universal Credit.

In addition, from 2013/14, the way local councils are funded is to change. Through the Localism Act, the Government is to introduce localisation of business rates. This will place greater importance on the Council having efficient and effective collection arrangements for business rates as any losses in collection will adversely impact on the Council's finances rather than Central Government, as under the current regime.

### **The Proposal**

The Review covers Revenues and Benefits staff that were reintegrated back into the Council as a result of the successful completion of the Strategic Partnership with BT, that is, those engaged in:

- Account Management – Debt recovery & Fraud;
- Benefits Assessment;
- Local Taxation – Council Tax and Non Domestic Rates;
- Revenues and Payments; and
- Technical and Control.

The review has identified the following issues that need to be addressed if we are to continue to deliver excellent performance during and beyond the current economic and welfare climate:

- managing significant change brought about by the Government's Welfare Reform Programme and changes in local government future financing arrangements (Localisation of Business Rates);
- enhancing customer service integration;
- enhancing automated financial systems that will enable further streamlining of business processes;
- improving customer consultation; and
- Succession planning.

The new arrangements have been designed to address the specific service issues raised above as well as supporting the development and improvement of the council as a whole. More specifically they will allow the council to:

- Focus finite resources on continuing to maximise collection of income due to the council to help minimise any future increases in Council Tax;
- Implement fairly and uniformly the Government's welfare reform proposals;

- Process new benefit claims and change in circumstance claims promptly and accurately to those most in need;
- Further enhance the customer experience with the Council;
- Provide expert, accurate and timely R&B advice to those seeking to access the service;
- Enhance the promotion / take up of benefits at both the right time and place;
- Provide expert, accurate and timely financial assessment process for those wishing to access social care services;
- Focus resources on adapting financial processes to meet the new outcome focussed framework for personalised care services; and
- Focus resources on increasing income collection rates and minimising debt write off for Social Care Services.

The proposed structure presented for consideration involves an immediate reduction in the number of establishment posts from 158.91 FTE to 150.32 FTE, a reduction of 5.4%, generating a net reduction in the cost of the service of £0.160m. This together with a proposed reduction in non pay costs of £0.083m enables the Service to put forward net cost reduction proposals of £0.243m which exceeds the target cost reductions set for the Review (£200k).

Reductions through vacancy management, natural wastage and volunteers for severance and early retirement have eliminated the need for compulsory redundancies.

Members should also note that work is in hand to take forward initiatives aimed at further improving Council Tax yields by reducing losses on collection. These will provide additional resources to support the Council's medium term financial strategy. In addition, the Council will be actively looking to build on its considerable success by both considering opportunities for further service 'take on' and exploring shared services across other Councils.

### **Next Steps**

The proposals have been discussed with Trade Union colleagues who are satisfied with the process followed during the Review and recognise that the future structure will support the continuation of the excellent service provided during a period of Government Welfare Reform.

Consultations with staff are diarised prior to the end of April.

Implementation of the proposal during May / June - this will allow the Service to continue to meet its service objectives, priorities and challenging operational performance targets at a time of considerable change brought about by the Government's Welfare Reform Programme.

## 8. Finance

Spend on Revenues and Benefits in 2011/12 is forecast to be £4.571m (before any Government Grant income for the administration of the Scheme). The proposals for reconfiguring the Service will reduce this net cost in 2012/13 to £4.33m, a reduction of £0.243m (5.32%). The saving will support the Council in meeting its 2012/13 and future years' budget strategy.

## 9. Risks and Uncertainties

There is uncertainty around the Council's future levels of funding and work programme which makes devising a fit for purpose structure more difficult. The risk in not proceeding is that we keep a structure which is not affordable or too inflexible to respond to the need for change e.g. the Governments proposed Welfare Reform Programme.

## 10. Policy and Performance Agenda Implications

Making best use of resources is critical to the delivery of the Council's priorities and objectives. An effective Revenues and Benefits service will help to ensure that the Council delivers value for money through the services for which it is responsible, and delivered to those most in need in the Borough and will minimise the burden to Council Tax payers at a time of difficult financial and economic conditions.

## 11. Background Papers and Consultation

- Comprehensive Spending Review (CSR) - 20<sup>th</sup> October 2010
- Local Government Financial Settlement – 31<sup>st</sup> January 2012

Consultation with SLT, elected Members, the Chamber of Commerce and Trade Unions.

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<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO DEPUTY LEADER</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Deputy Leader</b>
<b>2.</b>	<b>Date:</b>	<b>16 April 2012</b>
<b>3.</b>	<b>Title:</b>	<b>Review of Council Tax Single Person Discounts</b>
<b>4.</b>	<b>Directorate:</b>	<b>Resources - Revenues and Benefits Service</b>

### **5. Summary**

This report covers a proposal that will have a positive impact on Council Tax income and help the Council tackle its budget challenge.

The proposal involves working with a partner supplier to identify wrongly claimed Council Tax Single Persons Discounts.

Additional Council tax income of over £400k per annum is expected to be achieved through the initiative and a further one-off sum of over £400k secured by backdating recovery of wrongly claimed discounts by one year.

### **6. Recommendations**

**The Deputy Leader is asked to support the proposals outlined in this report to appoint a supplier to identify wrongly claimed Council Tax Single Persons Discounts**

## **7. Proposals and Details**

The Council charges Council Tax on 113,036 properties of which 37,115 Council Taxpayers claim that they live alone and receive a 25% reduction in their Council Tax (Single Person Discount = SPD).

Currently the Revenues and Benefits service reviews all its discounts and exemptions on an annual basis. SPD cases are reviewed by issuing a review letter to the SPD cases and asking the Council Taxpayer only to return the letter if there has been a change and that they are not the only person living in their property. This obviously relies on the Council Taxpayers reporting any changes and can be influenced by any fraudulent activity, forgetfulness or apathy.

The proposal is to undertake a review of the SPD cases by using an external supplier who will cross-match our cases with other data that they hold to identify those cases where discounts should potentially not be claimed.

The suppliers suggest, based on similar work they have done at other Councils, that about 5% of the 37,115 discounts will be cancelled, which for Rotherham would mean 1,856 discounts being reversed.

There is no restriction in Council Tax legislation as to how far a cancellation of a discount could be backdated. Based on our experience and also advice given by the suppliers, backdating the reclaim of discounts for the current and previous financial years will normally be the most practical option. Some cases may warrant backdating further than the last two financial years because of the individual circumstances, but these are expected to be exceptional.

The procurement process has commenced and bids have been received from £30k to £45k for a service where the suppliers do all the identification work, to enable the Council then to review and then potentially cancel a discount. The identification of incorrect discount claims would also allow for a review of other potentially wrongly claimed benefits to be completed.

It is expected that the procurement process will be completed within the next few weeks and a decision made on the supplier to be engaged taking into account price and quality within the bids received.

Additional work will be required, for example to respond to queries raised over cancellations and any other related work. The existing teams will endeavour to incorporate this additional work into the existing day to day work of the teams, although this will be monitored to ensure performance on other key indicators is not diminished.

## **8. Finance**

The increase in Council Tax income is substantially greater than the costs of undertaking this work. The estimated increase in Council Tax income raised in 2012/13 based on backdating the changes to the current and previous financial



years could be in excess of £800k. A prudent estimate of this potential additional income has been taken into account when estimating the Collection Fund Surplus available to the Council when finalising its 2012/13 Revenue Budget.

On an ongoing basis the Council's Taxbase would increase by over £400k per annum Council Tax income being generated (Rotherham Council's levy only) for future years.

The supplier and any additional staffing costs required to secure these savings are not expected to exceed £50k.

## **9. Risks and Uncertainties**

The Council Tax collection rate will initially be adversely affected because the cancelling of discounts resulting in a higher level of income to be collected. This will be mitigated by starting the debt recovery process in May 2012 allowing a longer period in which to collect the additional income

Potential for more customer complaints may be received as we challenge customers on their living arrangements.

## **10. Policy and Performance Agenda Implications**

Increase in the number of enquiries, telephone calls and complaints due to the challenges we will be making to customers living arrangements.

Increase in potential benefit fraud cases.

Increase in the volume of debt recovery action to collect and recover the outstanding amounts.

## **11. Background Papers and Consultation**

a) Outline proposals have been supplied by some of the companies who offer this service with indicative costs

b) Spreadsheet with estimated income and costs

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