

CABINET MEMBER OF RESOURCES

**Venue: Town Hall, Moorgate
Street, Rotherham**

Date: Monday, 7th December, 2009

Time: 11.30 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 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Minutes of Meeting held on 9th November, 2009 (Pages 1 - 5)
4. Changes to the Capital Finance System - Consultation (Pages 6 - 17)
5. Third Party Funding Budget – Progress Report (Pages 18 - 20)
6. Revenue Budget Monitoring for April – October, 2009 - Financial Services (Pages 21 - 23)
7. Revenue Budget Monitoring for the Period April – October, 2009 - Chief Executive's Directorate (Pages 24 - 27)
8. RBT Performance Report (Pages 28 - 35)
9. Complaints Forum (Pages 36 - 41)
- minutes of meeting held on 7th September and 11th November, 2009
10. Website Strategy Group (Pages 42 - 47)
- minutes of meetings held on 12th October and 16th November, 2009
11. E Gov Board (Pages 48 - 52)
(information relating to the financial or business affairs of any particular person (including the Council))

CABINET MEMBER OF RESOURCES
9th November, 2009

Present:- Councillor Wyatt (in the Chair) and Councillor Hodgkiss (Policy Advisor).

K42. MINUTES OF MEETING HELD ON 12TH OCTOBER, 2009

Consideration was given to the minutes of the previous meeting held on 12th October, 2009.

Further discussion took place on Minute No. K33 (Third Party Funding Budget) and the potential underspend on the Landfill Tax grant. It was suggested that all Area Assemblies be informed of the possible funding as matter of urgency.

Phil Howe, Assistant Chief Executive (Human Resources), gave a brief update on consultations held regionally on the Trade Union pay claim for 2010/11.

Resolved:- (1) That the minutes of the meeting held on 12th October, 2009, be approved as a correct record.

(2) That the Principal Accountant contact the Project Development Officer and discuss making Area Assembly Partnership Managers aware of the potential Landfill Tax grant underspend.

K43. INDEPENDENT SAFEGUARDING AUTHORITY VETTING AND BARRING SCHEME

Phil Howe, Assistant Chief Executive (Human Resources), submitted, for information, a report on the above Scheme.

As from 12th October, 2009, the Independent Safeguarding Authority's (ISA) responsibilities for barring individuals who posed a known risk from working or volunteering with children and vulnerable adults were further strengthened. The first phase of the implementation of the Vetting and Barring Scheme had now commenced leading up to its full roll out from July, 2010. Once full roll out commenced there would be potentially significant financial challenges arising from increased charges associated with individuals registering under the Vetting and Barring Scheme.

It was not considered that the October launch presented any significant changes or difficulties for the Council. With the launch of the new barred lists, standard CRB checks would no longer reveal information held on the old or new barred lists. However, a check of the new lists could be made as part of an enhanced CRB check and currently all posts which would fall under the regulated activity banner in the Council were in any event subject to an enhanced CRB check.

The cost of registering was £64 compared with the current CRB

application fee of £36 which was currently paid for by the employing service.

Whilst there was an assumption within the new scheme that the employer would pay the fee for existing staff, it was not specified as being the case in respect of newly recruited employees. A decision would therefore have to be taken on whether to pay the registration fee for those new entrants who were not registered. A number of surveys had been commissioned by employers' organisations to get a feel for the views and intentions of employers in this respect but it was still unclear as to what the consensus view would be.

A failure to conform to the new scheme would leave the Council open to prosecution and create the potential to leave vulnerable young people and adults at risk of harm. If the Council agreed to pay for individual registration costs, there would be significant financial implications yet a failure to do so ran a risk of being uncompetitive within the recruitment market for hard to recruit posts such as Social Workers.

Resolved:- (1) That the changes arising from the implementation of the Vetting and Barring Scheme be noted.

(2) That a report be submitted to the Cabinet due to the potential impact on all Directorates' budgets by the new Scheme.

K44. REVENUE BUDGET MONITORING FOR APRIL – SEPTEMBER, 2009 - FINANCIAL SERVICES

Joe Johnson, Principal Accountant, presented briefly the submitted report relating to the above.

The report showed that the Financial Services Directorate was forecasting a break-even position against a net revenue budget of £10.5M by the end of March, 2010.

The report set out the summary year to date and projected outturn position for Financial Services as at the end of September, 2009.

Resolved:- That the latest revenue forecast outturn position for the Financial Services Directorate for 2009/10 be noted.

K45. REVENUE BUDGET MONITORING FOR THE PERIOD APRIL – SEPTEMBER, 2009 - CHIEF EXECUTIVE'S DIRECTORATE

Joe Johnson, Principal Accountant, presented briefly the submitted report relating to the above.

The report showed that the Chief Executive's Directorate was forecasting currently an underspend of £5,000 against a net revenue budget of £9M by the end of March, 2010.

Areas highlighted in the report covered:-

- Transport
- Vacancies and secondments
- Rotherham News
- Worksmart

The report set out the summary year to date and projected outturn position for the Chief Executive's Directorate as at the end of July, 2009.

Resolved:- That the latest revenue forecast outturn position for the Chief Executive's Directorate for 2009/10 be noted.

K46. RBT PERFORMANCE REPORT

Mark Gannon, Transformation & Strategic Partnerships Manager, presented the submitted report which summarised RBT's performance against contractual measures and key service delivery issues for September, 2009, across the areas of Customer Access, Human Resources and Payroll, ICT and Procurement.

Key points for this period included:-

Customer Access

- All performance targets achieved
- Work taking place between the Transformation and Strategic Partnerships Team and RBT on a proposed Revenues and Benefits Business Process Review
- Recruitment to take place for the Welfare Rights and Money Advice Manager post

Human Resources and Payroll

- All performance targets achieved
- KPMG to undertake the final authorisation of the teachers' pension return
- Millside transfer now implemented from 1st October 2009
- Pay award, together with arrears of pay, processed for the October payroll
- Discussions with a number of schools that had expressed an interest in piloting the RMS system for recruitment

ICT

- All performance targets achieved
- Desktop refresh continuing
- Migration of the RMBC network to Digital region was being planned

through regular meetings and workshops with Thales, BT and RBT

Procurement

- All performance targets achieved
- Performance Clinic arranged for 10th November, 2009, to discuss BVP18

Revenues and Benefits

- Council Tax Collection Rate 55.94% at the end of September, 2009, 0.33% lower than the same point in 2008
- Still in the upper performance quartile for Metropolitan District Councils
- Average number of days taken to action a council Tax Change of Circumstance was 15.51 days
- NNDR collection rate was 61.16% at the end of September, 2009, 0.92% higher than the same point in 2008
- It should be noted that the current year position was inflated by a number of significant advance payments. In real terms it was likely that the position remained slightly down compared to the same point in 2008

Central Government had introduced the NNDR Deferral Scheme with effect from 31st July, 2009, which allowed businesses to defer payment of a small proportion of their 2009/10 NNDR liability. By the end of September, Rotherham had granted 314 deferral applications, £430,809.69, which businesses would have to repay in the next 2 tax years. A further 92 applications had been refused, in most cases, due to the business concerned already being the subject to recovery action and, in many instances, had a history of poor payment. The deferred amount had not yet been factored into the collection rate calculation.

Resolved:- That RBT's performance against contractual measures and key service delivery issues for September, 2009, be noted.

K47. COMPLAINTS FORUM

Consideration was given to the minutes of the Complaints Forum held on 7th September, 2009.

Resolved:- That the contents of the minutes be noted.

K48. WEBSITE STRATEGY GROUP

Consideration was given to the minutes of the Website Strategy Group held on 16th September, 2009.

Resolved:- That the contents of the minutes be noted.

K49. CONFERENCES

Resolved:- (1) That the Cabinet Member (or substitute) attend a seminar entitled "The Total Place Pilots" to be held in Bradford on 25th November, 2009.

(2) That the LGC seminar "Online Best Practice in the Public Sector" to be held in London on 3rd December, 2009, be not attended.

(3) That the LGA Finance conference to be held in London on 3rd December, 2009, be not attended.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
--

1.	Meeting:	Cabinet Member of Resources
2.	Date:	7 December 2009
3.	Title:	Changes to the Capital Finance System - Consultation
4.	Directorate:	Financial Services

5. Summary

Communities and Local Government are considering various changes to the prudential Capital Finance system, introduced by the Local Government Act 2003 and are seeking views from Local Authorities. The proposals are to:

- revise the CLG Investments Guidance (in the light of the recent Select Committee inquiry);
- amend the Capital Finance Regulations (mainly to mitigate the impact of new accounting standards);
- revise the CLG Minimum Revenue Provision Guidance (again, to reflect new accounting standards).

Detail on the various proposals is provided in this report and the Council's response to the consultation is attached as an Appendix. Members are asked to support the proposed response.

6. Recommendation

That the consultation process is noted and support given to the proposed Council response.

7. Proposals and Details

7.1 Communities and Local Government are considering various changes to the prudential Capital Finance system. The proposals are to:

- revise the CLG Investments Guidance (in the light of the recent Select Committee inquiry);
- amend the Capital Finance Regulations (mainly to mitigate the impact of new accounting standards);
- revise the CLG Minimum Revenue Provision Guidance (again, to reflect new accounting standards).

Detail on the various proposals is provided below and the Council's response to the consultation is attached as an Appendix.

7.2 Investment Guidance

7.2.1 This new guidance will apply with effect from 1 April 2010 and completely supersedes the former guidance issued in March 2004.

The proposals are in line with the outcomes of the Select Committee review and report, the Audit Commission's review of the Icelandic Bank crisis, and the revised Code of Practice and Guidance Notes issued by CIPFA. They are to be welcomed representing the Governments formal backing to revised 'best practice'.

The Select Committee agreed that the present guidance-based framework was sound but recommended some fine-tuning. CLG has therefore revised the current guidance.

It still leaves local authorities free to make their own investment decisions subject only to the investment strategy being approved by Full Council.

The themes of the main changes are as follows, together with detail of the actions taken/proposed:

- (a) The guidance makes even clearer that the investment priorities should be security and liquidity, rather than yield

Whilst the Council's investment policy's primary governing principle is security, the Council's approved Investment Strategy enhanced the weighting towards security further from earlier strategies. On-going reviews will assess the need for any further strengthening.

- (b) Investment strategies should still go to the Full Council at the start of each year, but authorities are encouraged to consider submitting revised strategies at other times

Any revisions to the approved Strategy will be presented to Members when required.

(c) Strategies should be published

Only currently available through the Committee Minutes system the Strategy will be made available through the internet and other options for publishing the details will be looked at.

(d) Authorities should not rely just on credit ratings but consider also other information on credit risk

Officers have been working with the Council's Treasury Management consultants (Butlers) on this issue. Counterparty credit ratings are being supplemented by sovereign credit ratings. Some use is also being made of 'Credit Default Swaps' which indicate market sentiment towards the ability of counterparties to meet their liabilities. Butlers have also developed a methodology for continuously benchmarking the security of the Council's investments.

(e) Strategies should comment on the use of treasury management consultants

Detail/comment on the services provided will be incorporated within the Strategy in future.

(f) Strategies should comment on the investment of money borrowed in advance of spending needs

Reference to this issue is included within the current Strategy but the detail provided will be enhanced.

7.2.2 Investment Strategy

The preparation each year of an investment Strategy is central to the existing and proposed Guidance. It encourages the formulation of policies for the prudent investment of surplus funds. In addition, the need for the Strategy to be approved by the Full Council ensures that these policies are subject to the scrutiny of elected Members.

The Guidance will continue to define a prudent investment policy as having two objectives: achieving firstly security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed). The generation of investment income is distinct from these prudential objectives and is accordingly not a matter for the CLG Guidance. This will not mean that authorities are recommended to ignore such potential revenues. Provided that proper levels of security and liquidity are achieved, it may then (but only then) be reasonable to seek the highest yield consistent with those priorities.

The Strategy should be approved by the Full Council. This is in accordance with legislation which provides that the function is the responsibility of the authority's Full Council, not the Executive.

The proposed Guidance re-affirms that an investment Strategy should be prepared and approved before the start of each financial year. It will make it even clearer that this need not be a once-a-year event, but that the initial Strategy may be replaced by a revised Strategy, at any time during the year, on one or more occasions, subject to Full Council approval.

Publication of Strategies is now to be formally recommended with publication on the authority's website considered satisfactory.

7.2.3 Investment Security

The proposals will leave the Guidance in this area largely unchanged.

The key requirements of the current CIPFA Code of Practice and CLG Investment Guidance were adopted by the Council in March 2004 and inform the preparation of the Council's approved Annual Investment Strategy.

The primary principle set down in the Council's Strategy governing investment criteria is the security of its investments. After this main principle the Council ensures:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security.
- It has sufficient liquidity in its investments. For this purpose it has set out procedures for determining the maximum periods for which funds may prudently be committed.

The Council currently uses both Specified and Non-Specified investments and the criteria for their use are also set down in the approved Strategy.

Specified Investments must be in sterling and with a maturity of no more than a year. They have relatively high security and high liquidity and CLG indicates authorities need make only minimal reference in the Strategy. Investments with the UK Government, a local authority or parish council will count as specified investments, as will those with bodies or in investment schemes of "high credit quality". The meaning given by the authority to the latter term is to be stated in the Strategy and it is expected that authorities will adopt rigorous standards of definition.

The Strategy should deal in more detail with non-specified investments given the greater potential risk. The intention is not to discourage their use but to ensure proper procedures are in place for assessing and mitigating risk. The Strategy should identify the types of such investments that may be used and should set a limit to the amounts that may be held. The limit may be a sum of money or a percentage of total investments. The Strategy should lay down guidelines for making decisions on such investments.

7.2.4 Investment Risk

This is a largely new section in the guidance, addressing issues relating to credit risk and the means of assessing it.

7.2.4.1 Credit risk assessment

Underlying the recommendations is a concern that credit ratings should not be seen as the only means of assessing creditworthiness. The Strategy should indicate the extent to which the authority's assessment of credit risk depends upon the use of credit ratings. Where they are used, the Strategy should state how frequently ratings are monitored and what action is to be taken when they change. The Strategy should also state what other sources of information on credit risk are used.

7.2.4.2 Investment consultants

Sources of information on credit risk may include private-sector treasury management consultants. The Strategy is to make clear how the authority uses such services and how their quality is controlled.

7.2.4.3 Investment training

The Strategy is to report on the procedures for ensuring that treasury management staff have the right training in investment management. Even where significant reliance is placed upon external contractors, in-house expertise will still be needed to develop the proper kind of working relationship with them. The Government also hopes that elected Members involved in the scrutiny of treasury management issues will avail themselves of relevant training wherever possible.

7.2.4.4 Investment of money borrowed in advance of need

Legislation gives a local authority power to invest for "any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs". CLG are unable to offer an authoritative interpretation of the law, but takes the informal view that, while speculative borrowing purely to invest at a profit is unlawful, it is not illegal to invest temporarily for known expenditure in the reasonably near future. The Government has reservations that this may mean more money than is strictly necessary is being put at risk in the investment market.

The Council has always borrowed in year in line with the requirements of the annual capital programme. This borrowing has been undertaken when market conditions have been advantageous to the Council. Cash-flow considerations have allowed monies to be invested in the short-term.

CIPFA's Treasury Management Code makes recommendations about the management of advance borrowing. In parallel, the CLG guidance recommends that the Strategy reports the authority's policies relating to the investment of sums borrowed in advance.

7.2.5 Investment Liquidity

The Strategy should set out procedures for determining the maximum periods for which funds may prudently be committed. This is to ensure that the authority has properly assessed the risk of committing funds to longer term investments. An investment should be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

7.3 Capital Finance Regulations

7.3.1 These proposed regulations address some of the issues arising from the transition to International Financial Reporting Standards (IFRS). Both adverse and positive financial consequences have been identified and it is to be welcomed that these new regulations should ensure the previously reported financial position will remain the same and authorities, in particular, will not be adversely affected.

The transition to IFRS is still in its early stages and it is possible that further issues may arise which would require further regulations. The Council would expect the Government to expedite further regulations as appropriate.

7.3.2 Retirement Benefits

This amendment relates purely to the change in the descriptions of some pension schemes which resulted in them no longer being covered by previous regulations. There is no impact on Rotherham MBC arising from this amendment.

7.3.3 Lease Reclassification

Authorities often own and grant leases on buildings (e.g. shops, industrial units) from which rents may make a substantial contribution to revenue. Under the new accounting standards, property leases are to be accounted for as separate leases of land and buildings.

Where an examination of the lease arrangement results in a reclassification from an operating lease to a finance lease this will result in the principal element of the rent ceasing to be revenue income and becoming instead a capital receipt. This income could no longer be used to support revenue expenditure.

CLG's amendment protects authorities from unexpected revenue shortfalls. This reverses the change to lease income, so that former revenue income retains that status for the future and does not become a capital receipt.

The concession will apply only to leases already existing on the date of the consultation paper (16 November 2009). Any granted subsequently will be subject to the new accounting standards.

It is not clear whether this will cover renewals of existing leases and new leases granted after that date on assets currently leased out by the Council. Clarification on this issue is required from CLG as the Council will want to be assured that all existing revenue income is secure.

7.3.4 Use of Capital Receipts

Current Regulations allow capital receipts from disposals of housing land to be used to meet the “administrative costs of or incidental to” the disposals. No such concession currently applies in the case of non-housing property which discourages disposals of surplus land, because the costs must be met from revenue, not sales proceeds.

This amendment extends the current Regulation to allow the disposal costs of all non-housing sales to be met out of capital receipts. Because overall costs are unpredictable and could be large, a ceiling of 2% of the capital receipt is to be applied. The 2% restriction is not being applied to housing disposal costs.

7.3.5 Capital Expenditure

Current Regulation 25(1)(d) provides that the acquisition of shares in individual companies is capital expenditure. This is meant as a disincentive to the use of this potentially speculative form of investment. But Regulation 25(3) makes exceptions to that rule, in particular, for the purchase of shares through regulated collective investment schemes - which spread and mitigate the risk.

The Local Authorities' Property Fund (LAPF) is an unregulated collective investment scheme and operates as an open-ended unauthorised property unit trust. It was established in 1972 by local authorities themselves and is managed on their behalf to provide local government with a way of gaining diversified access to UK commercial property investment. Placing money in the fund however counts as a share purchase and therefore has the disadvantage of scoring as capital expenditure.

Since the LAPF is a local government investment scheme, approved by the Treasury under the Trustee Investments Act 1961 (section 11), CLG see no reason why authorities be discouraged from placing money with it, provided that they are individually satisfied that any investment in the fund is appropriate and consistent with their treasury management strategy.

There are no implications for the Council arising from this amendment. This investment instrument is not included within the Council's Investment Strategy and due to the speculative nature of the investment it would not be recommended to include it moving forward.

7.3.6 Back Payment Following Unequal Pay

Many authorities are liable to make lump-sum back-pay awards in relation to former unequal pay arrangements. Accounting practice requires financial provision for anticipated future liabilities to be made in the current financial year, rather than in the year when the actual payments fall due. It is undesirable for authorities to have to fund these often large provisions in advance of the need to make the payments. To protect authorities, current Regulation 30A has the effect that authorities need not charge back pay awards until the date on which they must make the payments. A further Regulation provides that regulation 30A expires on 1 April 2011.

It was hoped that by then all these cases would have been settled but equal pay claims are still going through the courts and the process will not be complete by 2010-11. It is estimated that it could take another two years beyond that date. The effect of the amendment is to extend the current Regulation for two years, until 1 April 2013.

There are no implications for the Council arising from this amendment. The Council has fully provided for the expected cost and CLG has granted permission to capitalise the amount involved.

7.3.7 Short-term Accumulating Compensated Absences (“Holiday Pay”)

The new IFRS accounting standards will require authorities to make a charge in each year for the value of holiday entitlements that employees have not taken up by the end of the financial year.

The amounts will be high for numerous authorities, in particular because of the nature of teachers' employment contracts. A new regulation would negate this impact of the transition to the new IFRS accounting basis. The new regulation provides that holiday benefits are to be charged to revenue in the financial year in which the holiday absence occurs.

In common with all local authorities an exercise is being finalised within the Council to calculate the amount which will have to be charged to the restated IFRS prepared 2009/10 accounts in respect of these entitlements. As the consultation outlined the amount involved will be substantial but there was always an expectation that CLG would have to introduce a Regulation to reverse the impact on the balances of local authorities.

This new Regulation ensures there will be no financial impact on the Council.

7.3.8 Proper Practices

Regulation 31 lists accounting codes which are “proper practices”. The CIPFA code identified in the Regulations is to be re-named in 2010-11, so the reference in the regulation as currently worded will be inapplicable. The new Code will be called the Code of Practice on Local Authority Accounting in the United Kingdom and this will be reflected in the updated Regulation.

7.4 Minimum Revenue Provision

Current Regulations require local authorities to make a prudent amount of minimum revenue provision (MRP) and in 2008 CLG issued statutory guidance together with an informal commentary on determining the “prudent” level of MRP. Updates to the Guidance and informal commentary are now desirable due to the transition to IFRS and the early adoption in 2009-10 of some changes notably concerning Private Finance Initiative (PFI).

Subject to the outcome of the consultation the revisions will be introduced formally on 31 March 2010 and will thus apply with effect from 2009-10. This will necessitate changes to the Council’s accounting policies.

CLG’s recognition and proposed regulations to ensure any impact of the changes does not have any adverse or indeed positive effect is to be welcomed as it will lead to stability in the financial position of local authorities.

7.4.1 Finance Leases and PFI

The transition to IFRS requires a review of local authority PFI and lease arrangements.

The general view is that many PFI schemes which previously were not shown on the Balance Sheets of local authorities will now have to be included.

In addition it is highly likely that where local authorities lease assets some of those arrangements may now have to be accounted for as finance leases rather than as operating leases.

In both situations the accounting treatment is different involving in simple terms the creation of an asset and corresponding long-term liability on the Balance Sheet. The liability is then written down to nil over the life of the PFI or lease arrangement by charging annually the principal amount included in the service charge or rent payable against the liability rather than the revenue budget.

Without any amendment to the MRP Guidance this would lead to an increase in the revenue balances of local authorities and this is not considered prudent by the Government.

Accordingly the revised guidance recommends that an additional amount is added to the annual MRP charge. This amount will be equal to the amount that has not been charged to revenue but has been used to reduce the balance sheet liability. In the first year this will also include any retrospective amounts.

Thus the Guidance ensures authorities are in the same revenue position as if the transition to IFRS based accounts had not occurred.

7.4.2 Annuity Method

Within the current MRP Guidance one option that authorities are able to use to calculate a prudent level of MRP is the Annuity Method. This method may be particularly attractive in connection with projects promoting regeneration or administrative efficiencies or schemes where revenues will increase over time.

The informal commentary refers to this method involving complex calculations and that CIPFA would be considering the issue of guidance on how to apply the method in practice.

As CIPFA guidance is now available it is proposed to update the wording and reference in the commentary. This change therefore relates to an update to the CLG's informal commentary on their current MRP guidance and the use of the annuity method to calculate MRP.

In adopting its MRP Policy, the Council will assess whether the Annuity Method should be used for particular scheme to calculate a prudent level of MRP.

8. Finance

It is not anticipated that there will be any financial implications arising from the proposals at 7 above.

9. Risks and Uncertainties

It is anticipated that the outcome from the consultation process will confirm the revised Guidance and Regulations in line with the above. As the transitional phase to IFRS proceeds further issues may emerge which could lead to financial implications. It is to be hoped that any such implications are addressed through additional regulations at an early stage, particularly if the impact would affect the Council's financial position adversely.

10. Policy and Performance Agenda Implications

Effective treasury management delivered in compliance with the CIPFA Code of Practice and revised Regulations will assist in delivering the Council's policy and performance agenda.

The production of the Statement of Accounts on an accurate and timely basis is a key component of the 'Use of Resources' element of the Comprehensive Performance Assessment framework. The aim is always to ensure that the accounts comply with current legislation and regulative requirements, ensuring best practice.

11. Background Papers and Consultation

CLG Consultation Documentation – Changes to the Capital Finance System

Contact Name: *Derek Gaffney, Chief Accountant, ext. 2005*
derek.gaffney@rotherham.gov.uk

17 December 2009

Local Government Finance
Department for Communities & Local Government
5/J3 Eland House
Bressenden Place
London
SW1E 5DU

Dear Colleague

Consultation on Changes to the Capital Finance System

I would like to thank you on behalf of Rotherham MBC for the opportunity to respond to the proposed changes to the Investment Guidance, Capital Finance Regulations and Minimum Revenue Provision Guidance, outlined in your letter of 16 November.

The Council has considered the proposals carefully and would like to make the following observations and comments in response to the consultation.

Investment Guidance

The Council welcomes the proposals to strengthen the Guidance provided to local authorities in this area.

Whilst reinforcing, together with CIPFA's revised Code of Practice and Guidance Notes, the good practice operating within local government the proposals are not regarded as overly prescriptive, hence this will not prevent authorities from being able to effectively manage their own treasury function into the future.

Capital Finance & Accounting Regulations 2010 & Minimum Revenue Provision Guidance

The Council also welcomes the timely proposals to introduce revised Regulations to address principally those financial effects arising from the transition to International Financial Reporting Standards.

The Council has been mindful of these as it prepares its 2010/11 Budget and is pleased that the effects identified will be largely removed through the proposed Regulations leaving the Council's future financial plans unchanged.

Clarification is however sought on Lease Reclassification (Amendment Regulation 4). The Council would like to be assured that all existing revenue income as at 16 November 2009 is secured by this amendment. It is unclear if renewals of existing leases after that date would be covered by the amendment. Likewise where the Council has for many years leased an asset and subsequently the lessee changes to a new individual/organisation after that date would the amendment apply? The Council would like assurances that this would be the case.

The Council also asks that should any significant financial effects be identified nationally and/or locally as a result of the IFRS transitional arrangements, then further amendments to the Regulations will be considered and if required these will again be forthcoming in a positive and timely manner.

Yours sincerely

A A Bedford, BA(Hons), CPFA
Strategic Director of Finance

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
--

1.	Meeting:	Cabinet Member for Resources
2.	Date:	7TH December 2009
3.	Title:	Third Party Funding Budget – Progress report
4.	Directorate:	Environment and Development Services

5. Summary

To consider an update report regarding the council's provision of a budget to cover 'third party' funding for Rotherham generated landfill grant applications.

6. Recommendations

Note that the budget carried forward is £45,464.97, of which £5,500 has been spent and £7,133.76 has been committed. This leaves £32,831.21 of uncommitted funds. As per the suggestions made in the Resources meeting on October 12th on re-allocating this under spend a cost table has been put together identifying existing play areas, that were originally paid for through landfill tax grant, in need of refurbishment. The costs for providing schools in Rotherham with wormeries have also been included.

7. Proposals and Details

Land fill tax is a source of money for some organisations to carry out certain types of environmental projects. The government allows some of the land fill tax it levies on operators of landfill sites to be used to benefit communities and the environment. Land fill operators can contribute up to 6.8% of their landfill tax liability to environmental bodies in return for tax credit. Tax credits only cover 89-90% of the money given to environmental bodies leaving a shortfall of 10-11%. Landfill operators seek to source this shortfall from elsewhere so that they are not out of pocket. Therefore organisations applying for funds are asked to find this amount from an independent third party contributor.

RMBC has made available a third party funding budget for land fill tax credit grants for Rotherham based projects that are seeking funding. At the start of the financial year 2009/10 the total budget was £45,464.97 (including carry forward from 2008/09 of £28,818.97). During this financial period a third party payment of £5,500 has been made to WREN in connection with a grant approval of £50,000 for a new skate park in Rosehill Park. Current commitments are £7,133 made up of £5,390 for a request to upgrade an existing BMX track in Kimberworth and £1,743 for the refurbishment of Thurcroft Welfare Community Hall . A report was submitted to the Cabinet Member for Resources meeting in October 2009 seeking advice on how best to utilise the under spend within this budget. The Cabinet Member suggested using some of this under spend to refurbish prioritised playgrounds within the borough that have previously received funding through landfill tax credits.

It was also suggested that some of the under spend go toward the funding of wormeries for approximately 100 schools in Rotherham. Information from Hugh Long in Waste Management indicated that the roll out of 100 wormeries would take approximately 6 months and would cost in the region of £5,600. This would mean that an amount from this years budget would need to be carried forward into the next financial year.

Summary of proposed costs:

	£
Budget 2009/10	45,464.97
Less payments:	
Rosehill Skate Park	5,500.00
Less commitments:	
Kimberworth BMX Track	5,390.00
Thurcroft Coom Hall Refurb	1,743.76
Balance	32,9831.21
Less upgrade of Play areas:	
Treeton Well Lane	3,035.40
Coronation Park - Maltby	9,980.00
Wath Skate Park	2,300.00
Sub total	15,315.40
Less cost of wormeries:	
100*56	5,600.00
Budget remaining	9,715.40

8. Finance

The Third Party Funding budget for 2009/10 was £16,646

The budget was credited with £28,818.97 of carry forward from 2008/09

Therefore the total budget for 2009/10 was £45,464.97

Total payments for 2009/10 are £5,500

Total commitments for 2009/10 are £7,133.76

9. Risks and Uncertainties

Not all schools may want to take up the offer of receiving a free wormery. It will be vital to ascertain this as soon as possible to enable funds to be reallocated into further play area improvements

The demand on the third party funding budget may increase if the Thurcroft site comes on line. Hence there is the possibility that fewer applications for funding will be successful. To ensure that the most appropriate applications are successful, measures will be introduced to streamline the application process. Working more closely with major Landfill Tax Credit agencies will help to influence which projects are the most likely to be approved.

10. Policy and Performance Agenda Implications

Applications for third party funding are assessed on how the project contributes towards the priorities of the Community Strategy and Corporate Plan priorities and align with cross cutting issues such as sustainability and equalities. This will continue to form part of the assessment process, as well as more information from the applicants on linkages, and project outputs and outcomes.

11. Background Papers and Consultation

This report follows a report to Cllr Ken Wyatt, Cabinet Member for Resources, in October 2009.

**Contact Name : Asif Akram, Project Development Officer x 3883
asif.akram@rotherham.gov.uk**

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member For Resources
2	Date:	Monday 7th December 2009
3	Title:	Revenue Budget Monitoring for the Period April – October 2009
4	Directorate:	Financial Services

5 Summary

This is the latest Budget Monitoring Report for the Financial Services Directorate for 2009/10. The service is currently forecasting a break-even position against a net revenue budget of £10.5m by the end of March 2010.

6 Recommendations

Members are asked to:

- **Note the latest revenue forecast outturn for the Financial Services Directorate for 2009/10.**

7. Proposals and Details

7.1 This report advises Members of the Revenue Budget monitoring for the period up to the end of October 2009 and shows that the Directorate is currently forecasting a break-even position for the financial year 2009/10.

7.2 Within this forecast outturn the Directorate has incurred the following Agency Spend to the end of September.:

Supplier	Month 6 Spend (£)	Cumulative Spend to date (£)
Duttons	3,417	14,838
Hays Accountancy		520
Badenoch & Clark		1,283
TOTAL	3,417	16,641

7.3 Details of spend on the use of Consultants is currently being compiled and will be included in a future budget monitoring report.

8. Finance

The summary year to date and projected revenue outturn position for Financial Services (as at the end of October 2009) are detailed in the following table:-

	October 2009			Forecast 2009/10		
	Profiled Budget £'000	Actual Spend to date £'000	Variance Over(+) /Under(-) £'000	Annual Budget £'000	Projected Outturn £'000	Variance Over(+) /Under(-) £'000
Central Finance & Management Team	838	893	55	1,440	1,440	0
Audit And Governance	259	277	18	448	448	0
Service Finance	949	962	13	1,629	1,629	0
Transformation & Strategic Partnerships	153	200	47	262	262	0
RBT Affordability	3,907	3,848	-59	6,698	6,698	0
TOTAL	6,106	6,180	74	10,477	10,477	0

9. Risks and Uncertainties

The projected outturn is an estimate and consequently may change. Careful scrutiny of expenditure and income and close budget monitoring remain essential through the year.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2009 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

The Strategic Director of Finance and budget holders have been consulted in the production of this report.

Contact Name: Joe Johnson, Principal Accountant, Extension 2074
joe.johnson@rotherham.gov.uk

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1	Meeting:	Cabinet Member For Resources
2	Date:	Monday 7th December 2009
3	Title:	Revenue Budget Monitoring for the Period April – October 2009
4	Directorate:	Chief Executive

5 Summary

This is the latest Budget Monitoring Report for the Chief Executive's Directorate for 2009/10. The service is currently forecasting an underspend of £7k against a net revenue budget of £8.9m by the end of March 2010.

6 Recommendations

Members are asked to:

- **Note the latest revenue forecast outturn position for the Chief Executive's Directorate for 2009/10.**

7. Proposals and Details

This report advises Members of the Revenue Budget monitoring for the period up to the end of October 2009 and shows that the Directorate is currently forecasting a £7k underspend by the end of the financial year 2009/10.

There are several areas to highlight:-

- Transport fleet – the drivers currently undertake non contractual, unbudgeted overtime (£15k pressure). Work schedules are under review.
- There are also several vacancies and staff secondments across the Directorate which are offsetting other minor overspends
- The Rotherham newspaper operates as a traded service and is partially funded by contributions from the new Human Resources Recruitment Management System. However, due to the current economic climate the number of advertisements being placed is less than was anticipated. This has led to a potential year end pressure on the Newspaper of £25k.
- The level of legal expenditure on the Statutory Costs budget is projected to lead to a budget pressure of £31k (2% of the budget) on Legal Services.
- The cost of placing Statutory Notices in the local press will exceed the budget by £40k
- Human Resources have received additional funding for the Worksmart project.(£25k) which is due to expire at the end of 2010/11 and there is also a vacancy on the Trade Union Secondment budget (£10k).

There is no agency expenditure to report this month, although there has been expenditure incurred on Job Evaluation in 2009/10, this is funded via a centrally held budget. Details of spend on the use of Consultants is currently being compiled and will be included in a future budget monitoring report

8. Finance

The summary year to date and projected revenue outturn position for Chief Executive's Directorate (as at the end of October 2009) are detailed in Appendix 1, the table below shows the summarised position:-

Head Of Account	October 2009			Forecast 2009/10			
	Profiled Budget £'000	Actual Spend To date £'000	Variance Over(+) /Under(-) £'000	Annual Budget £'000	Projected Outturn £'000	Variance Over(+) /Under(-) £'000	% Variation from Budget
Chief Executive	3,456	3,395	-61	5,753	5,710	-43	-0.75
Human Resources	656	635	-22	1,111	1,076	-35	-3.15
Legal and Democratic Services	1,201	1,275	74	2,059	2,130	71	3.45
TOTAL	5,313	5,305	-8	8,923	8,916	-7	-0.08

9. Risks and Uncertainties

The projected out-turn is an estimate and consequently may change. Careful scrutiny of expenditure and income and close budget monitoring remain essential through the year.

Delivery of a balanced budget is subject to the potential pressures in section 7 of this report being effectively managed.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2009 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

The Assistant Chief Executive, the Strategic Director of Finance and budget holders have been consulted in the production of this report.

Contact Name: Joe Johnson, Principal Accountant, Extension 2074
joe.johnson@rotherham.gov.uk

**ROTHERHAM MBC
REVENUE BUDGET MONITORING**

CHIEF EXECUTIVE DIRECTORATE OCTOBER 09																		
Last Reported Projected Net Out-turn £000	Service Division	EXPENDITURE/INCOME TO DATE (As at 16th November 2009)									NET PROJECTED OUT-TURN							* Note
		Expenditure			Income			Net			Annual Budget £000	Projected Out-turn £000	Current projected year end Variance Over (+)/ Under (-) spend £000	Financial Impact of Management Action £000	Projected Year end Variance Over(+)/Und er(-) spend £000	Revised Financial RAG Status		
		Profiled Budget £000	Actual Spending £000	Variance (Over (+) / Under (-) Spend) £000	Profiled Budget £000	Actual Income £000	Variance (Over (+) / Under (-) Recovered) £000	Profiled Budget £000	Actual £000	Variance (Over (+) / Under (-) Spend) £000								
-46	Directorate Office	519	493	-26	-81	-90	-9	438	403	-35	762	715	-47	0	-47	G		
0	Communications & Marketing Team	410	560	150	0	-153	-153	410	407	-3	703	703	0	0	0	G		
10	Community Engagement Team	254	273	19	-9	-25	-16	245	248	3	419	429	10	0	10	G		
15	Performance and Quality	205	201	-4	-20	-20	0	185	181	-4	316	317	1	0	1	G		
0	Policy and External Affairs	202	191	-11	-28	-39	-11	174	152	-22	299	279	-20	0	-20	G		
-17	Partnership & Research Team	188	217	29	-53	-101	-48	135	116	-19	232	215	-17	0	-17	G		
27	Scrutiny & Member Support	1492	1545	53	-39	-73	-34	1,453	1,472	19	2,504	2,534	30	0	30	G		
0	Members Development	19	19	0	0	0	0	19	19	0	32	32	0	0	0	G		
0	Infrastructure & Corp Initiative Bud.	397	397	0	0	0	0	397	397	0	486	486	0	0	0	G		
-26	Human Resources	696	893	197	-40	-258	-218	656	635	-21	1,111	1,076	-35	0	-35	G		
32	Legal and Democratic Services	1,931	2,513	582	-730	-1,238	-508	1,201	1,275	74	2,059	2,130	71	0	71	G		
-5	TOTAL CEX DIRECTORATE	6,313	7,302	989	-1,000	-1,997	-997	5,313	5,305	-8	8,923	8,916	-7	0	-7			

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Resources
2.	Date:	7th December 2009
3.	Title:	RBT Performance Report for October 2009
4.	Directorate:	Financial Services

5. Summary

This report summarises RBT's performance against contractual measures and key service delivery issues for October 2009 across the areas of:

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

6. Recommendations

The Cabinet Member for Resources is asked to:

- **Note RBT's performance against contractual measures and key service delivery issues for October 2009.**

7. Proposals and Details

Full details of performance against operational measures for October 2009 for all workstreams is attached at Appendix A.

7.1 Customer Access

7.1.1 *Overall Performance*

All performance targets were achieved during October 2009.

Waiting times for face to face customers achieved 91.60% of customers seen within 15 minutes during October against a target of 85%. Year to date performance for this annual measure currently stands at 90.90%.

Productivity measures have been monitored for the second month and positive actions are being taken to increase levels. This measure focuses on identifying the percentage of time a staff member deals with customer generated work. The results are enabling RBT to identify changes to working practices which will result in increased efficiency levels.

7.1.2 *Complaints*

Five complaints were received in October. One of these was withdrawn; one was closed as not upheld; and three have yet to be closed.

7.1.3 *Registration Service*

On 16th November 2009 new legislation comes into force which means that registrars must check the General Council Register before registering a death to ensure that the doctor who signed the certificate was licensed to practice at the time of signing. This will increase the transaction time for dealing with bereavements and the Transformation and Strategic Partnerships (TSP) Team is working closely with RBT to identify how this impact can be mitigated.

7.1.3 *Projects*

The Client team is currently reviewing the proposed Revenues and Benefits business process reengineering project which has also been reported to the RBT Governance Group.

The Nortel Telephony Solution (CC6) upgrade to the contact centre telephony system went live on the 7th November 2009 but due to an unknown error over the implementation weekend the system reverted back to Contact Central. A new go live date is proposed for 7th December 2009.

7.2 Human Resources and Payroll

7.2.1 *Overall Performance*

All targets for operational measures were achieved for October 2009.

7.2.2 *Current Projects*

The external audit of the Teachers Annual Pension Return is now underway. The deadline for submission to the Teacher's Pension Authority is 30th November 2009.

The new e-form to capture additional hours/overtime via the YourSelf functionality was released into the live domain on 9th October 2009 along with new screens to capture qualifications, skills and emergency planning as well as revised authorisation delegation routines.

The Millside Learning and Development Centre officially transferred to RBT management on 1st October 2009 with three Strategic HR employees transferring on 19th October 2009 following completion of the consultation process. The service has transferred "as is" with new protocols for booking of rooms and front of house reception to be implemented from January 2010.

YourSelf Version 8.1 release is due on 16th November 2009 will include screens to capture equality data. Strategic HR will be undertaking the communications process to alert Managers to the requirement for information.

The Orgplus software was successfully implemented during October. Super-User training took place mid October and the team are confident of being able to release some basic organisation chart views via YourSelf in November. The new software will facilitate the automation of establishment changes and also give some basic management information in an easy to understand chart format. Internal processes will continue to be reviewed as this project continues. This review will include direct report lines amendment, the current DSP process and major re-structure arrangements. It is envisaged the new views will prompt some data cleanse of reporting lines and vacancy details.

A new YourSelf information page was launched in October giving managers easy access to all the YourSelf User Guides. A project to review and refresh all the HR A-Z pages information is also underway.

7.2.3 Payroll Activity

The pay award arrears and new rates of pay for all employees linked to the NJC for Local Authorities negotiating board were paid in October.

7.3.3 Future Activity

The proposed re-location of the HR Service Centre to the third floor of Norfolk House has been postponed until January 2010 due to new layout designs elsewhere in Norfolk House.

The HR Service Lead, Richard Booth, is leaving RBT on 13th November 2009 for a new position with Liberata (UK) Ltd; the opportunity will be taken to review the management structure following Richard's departure.

7.3 ICT

7.3.1 Overall Performance

All targets for the ICT Service were achieved in October.

7.3.2 Crinoline House Decant

When Crinoline House closes (early in 2010) most of the staff will be relocated to Norfolk House. In preparation for this people are being moved out of Norfolk House to Bailey House and Civic Building. During each one of these moves laptops and VOIP telephony are being deployed to allow staff to work in an agile manner.

7.3.3 *ICT Customer Satisfaction Survey*

The results of the annual ICT Customer Satisfaction Survey have been published. The results are positive with overall satisfaction rates of:

- 80% satisfied
- 13% neither satisfied or dissatisfied
- 7% dissatisfied

The full results and an explanation of how we are acting on customer feedback are available.

7.3.4 *Business Continuity Planning (BCP)*

The ICT Client attended a Business Continuity Workshop on 20th October 2009. The session was productive and the participants agreed to adopt BS25999 (the British Standard for BCP). The next step is for the Emergency Planning Team to conduct a Business Impact Assessment (BIA) against all of RMBC's services to help us understand which services are most crucial and what resources (including ICT) is needed to keep them running in an emergency. When the BIA analysis is complete we will have the information we need to allow us to produce BCP plans for individual ICT systems.

7.3.5 *Complaints*

No complaints were received in October.

7.4 Procurement

7.4.1 *Overall Performance*

All targets for the Procurement workstream were achieved in October.

7.4.3 *BVPI8*

Former BVPI8 achieved 92.22% in October 2009 which is an improvement on the October 2008 performance of 91%. Average performance to date stands at 94.06%.

Work continues to drive up performance against this indicator with regular reports to Members and Champions continuing to address issues arising from late transaction reports. A Performance Clinic was held on 10th November 2009 to look at the continued performance issues with this measure and a follow up meeting has been scheduled for March 2010.

7.4.4 *Savings Performance*

Procurement savings for the period to the end of September 2009 were £260k.

7.4.5 Addressable Spend Tracking

Addressable spend figures for October 2009 are found in the table below:

Savings in month of September	Savings year to date	Estimated Savings to year end	Addressable Spend in October	Addressable Spend Year to Date
£260,808	£1,718,279	£2.99m	£1.437m	£17.809m

Work is currently ongoing to look at the procurement model.

7.5 Revenues & Benefits

7.5.1 Council Tax

Council Tax Collection performance stood at 65.14% at the end of October 2009, 0.49% lower than the same point in 2008/09. There is a large volume of work outstanding but RBT have now made overtime available which should allow the situation to be addressed. The target for 2009/10 continues to be that RBT achieve a Council Tax Collection Rate which places Rotherham in the upper quartile performance for Metropolitan District Councils, with a minimum collection level of 97.0% regardless of quartile position.

The following table illustrates recovery action taken in the year to date compared with the same point in 2008/09: -

Council Tax Collection – Recovery Procedures		
Documents Issued	At October 2009	At October 2008
Reminders	30,707	31,724
Summonses	9,232	9,206
Liability Orders	7,850	7,596

The average number of days taken to action a Council Tax Change of Circumstance was 15.09 days at the end of October 2009. This is above the target of 14 days and is linked to the current high volumes of work outstanding. As already mentioned RBT have arranged for staff overtime to be made available between now and Christmas which should address this situation.

The percentage of people paying their Council Tax by direct debit was 68.22% at the end of October 2009. The figure at the comparative point in 2008/09 was 67.82%.

7.1.1 NNDR

NNDR collection performance stood at 69.58% at the end of October 2009, 0.16% down on the same point in 2008/09. It must be emphasised, however, that this is

the collection rate before the £456,764 that has been deferred under the NNDR Deferral Scheme has been deducted; once this is factored into the calculation the collection rate rises to 70.05%. It should also be noted that more than £0.5 million of advance payments had been received at the end of October and these tend to offset the impact of the deferred amount adjustment.

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

NNDR Collection – Recovery Procedures		
Documents Issued	At October 2009	At October 2008
Reminders	3,258	3,056
Summons	923	955
Liability Orders	651	541

To expand slightly on the details already provided regarding the NNDR Deferral Scheme; at the end of October 2009 a total of 415 deferral applications had been received in Rotherham. Out of these, 321 had been granted, allowing deferral of £456,764 which businesses will have to repay in the next two tax years. A further 94 applications have been refused, in most cases because the business had either already paid its Business Rate liability in full at the time the application was made or because the business was already the subject of recovery action beyond final notice stage or had a history of poor payment.

It should be noted that Central Government have now issued guidance that confirms that the 'headline' collection rate performance figure that should be reported at the end of the financial year will be figure net of the deferred amounts as these are designated as not collectable in that year.

7.2.3 Other Service Measures

Performance against the remaining Strategic and Operational Measures remains reasonably satisfactory although the position in respect of the average time taken to process HB/CTB New Claims and Change Events continues to be a cause for concern. The year to date figure as at 25th October 2009 was 12.08 days and as with Council Tax processing RBT have made overtime available in order to reduce the volume of work outstanding and improve performance.

8. Finance

The contract with RBT includes a service credit arrangement. The effect of this is that should an operational measure not achieve its target, a calculation (based on the amount by which the target was missed including weighting) results in a financial penalty for RBT.

Following over-performance of PO2 in August, September and October penalties for the failure of this measure in July are being clawed back.

9. Risks and Uncertainties

The Transformation and Strategic Partnerships Team work with RBT to proactively identify and manage risks to prevent negative impacts on performance that may affect our CPA/CAA rating or service delivery.

10. Policy and Performance Agenda Implications

The partnership is responsible for key areas of service delivery and therefore has a significant role in the delivery of key national and local performance indicators. The partnership also supports the Council Directorates in their service delivery.

11. Background Papers and Consultation

RBT performance reports for October 2009.

Contact Name:

Mark Gannon
Transformation and Strategic Partnerships Manager
Extension 54526
mark.gannon@rotherham.gov.uk

COMPLAINTS FORUM
Monday, 7th September, 2009

Present:-

Councillor Wyatt
Sarah Griffiths
Emma Hill
Mark Leese
Stuart Purcell
Jayne Wild

In the Chair

2010 Rotherham Ltd.
Environment and Development Services
Corporate Complaints Officer, RBT
Neighbourhood and Adult Services
Financial Services

Apologies for absence were submitted by Zoe Burke, Mark Gannon, Rachel O'Neil and Andrea Pearson.

43. MINUTES OF LAST MEETING

Agreed:- That the minutes of the meeting held on 6th July, 2009 be approved as a correct record.

44. CEDAR NOMINALS - RAISING CHEQUES FOR COMPENSATION

Mark Leese outlined problems experienced with reporting on any compensation payments that had been paid to complainants. He stated that if Services added 7930 on Cedar to their cost codes it would enable Finance to extract the details of any payments.

Stuart Purcell reported that he already engaged with Finance so NAS may already do this.

The Chair referred to a recent review of the Ex-Gratia Policy in an attempt to bring some consistency to payments made and queried whether this would affect compensation payments?

The Complaints Procedure stated that Directors could authorise a payment up to a value of £500; anything further had to be submitted to the Cabinet Member for approval. A number of factors could make up a compensation payment e.g. goodwill gesture, time and trouble and out of pocket expenses such as telephone calls or postage.

Mark stated that the use of the nominal would also enable more accurate information to be gathered and bench marking to take place at subsequent meetings if warranted.

Agreed:- (1) That the report be noted.

(2) That officers liaise with Finance about adding the nominals.

(3) That members of the Group be provided with a copy of the recent Ex-Gratia Policy.

45. SIEBEL SYSTEM**(a) Errors and Protocol to Amend**

Mark Leese reported on issues with regard to incorrect/incomplete inputting information onto the Siebel system which affected the integrity of the resultant report.

He circulated a proposed report template which showed the Siebel reference number, the date received, subject, customer name, created by, owner, action required, review date and the date record amended. Quite often it was the case that the officer had not pressed the 'next steps' button or had not completed the registration. It was proposed that Directorates correct any errors that were identified to them within 2 weeks.

The current reports only included cases which had been categorised correctly and that, therefore, there was a risk that the performance reported may be inaccurate.

Agreed:- (1) That Mark Leese circulate the incomplete entries to Complaints Officers on a monthly basis.

(2) That Jayne Wild liaise with Rachel O'Neil to ascertain the status of the Quarter 1 monitoring report and the annual review.

(b) Input Issues

Stuart Purcell reported that within Neighbourhoods and Adult Services there was a high internal target to get a set number of compliments per month and, that their current average was approximately 50-60. The Admin Officers struggled to input them on a one-for-one basis because of their numbers as well as the complaints, comments and Ombudsman enquiries. In order to reduce the backlog, Stuart had instructed them to enter them on a Service Area basis only so it was known which particular Team received the complaint and how many they had received.

As these were not in Siebel, they were in the data extracts, as provided by Mark for Quarter 1, as the agreement was that the reports only include data held in the Siebel CRM system.

Mark Leese suggested that this issued be discussed with Rachel O'Neil and the possibility of either simplifying the compliment register or agreeing that the report could include data held in other sources..

Agreed:- That Stuart discuss with Rachel O'Neil.

46. STAGE 3 COMPLAINTS

Mark Leese stated that it had been his and Rachel O'Neil's intention to review some of the Stage 3 complaints that had taken place but there had

been gaps in the information entered onto Siebel with regard to the investigations and reports. Mark had e-mailed out to individual officers but the reports were not there to review.

There was also the issue of performance reporting days which was flagged against the Directorates but they did not have too much control in most cases. If officers felt this was an issue for them there may be a need for a separate meeting to discuss this.

Stuart felt that the monitoring report needed to reflect the fact that there was another Service involved in Corporate complaints and highlight where the deadline was breached.

Stuart also highlighted the fact that there was no written protocol where a complaint that encompassed 2 Directorates and that this had been an issue on a Stage 3 involving EDS and NAS.

Agreed:- That this issue be included on the next agenda.

47. **ANY OTHER BUSINESS**

(a) Mark was to attend the LGA Seminar on 17th November, 2009, the agenda for which he would circulate. If there were any issues the Group wanted him to raise should contact him.

(b) Using the Freedom of Information calculator, Mark was to collate the costs of a complaint from Stage 1 to completion within RBT. Mark would also include any Stage 2 and Stage 3 complaints if they were received. This would provide an insight into the true cost of staff time in dealing with a complaint.

48. **DATE OF NEXT MEETING**

Agreed:- That the next meeting be held on Monday 9th November, 2009, commencing at 1.30 p.m.

COMPLAINTS FORUM
Monday, 9th November, 2009

Present:- Councillor Wyatt (in the Chair); Zoe Burke, Emma Hill, Mark Leese and Rachel O'Neil.

Apologies for absence were received from Sarah Griffiths, Natasha Murphy, Andrea Pearson and Stuart Purcell.

49. MINUTES OF MEETING HELD ON 7TH SEPTEMBER, 2009

Agreed:- That the minutes of the meeting held on 7th September, 2009, be agreed as a true record.

50. CUSTOMER SATISFACTION QUESTIONNAIRES

Rachel O'Neil reported that customer satisfaction questionnaires had been implemented as part of a Scrutiny Review. Very few questionnaires were actually returned and of those that were, it was difficult to get any meaningful information from them.

In light of the above, it was felt appropriate to review their purpose and explore a better way of getting the information. A recommendation from the Customer Service Excellence assessors was that telephone contact with the customer to ascertain their experience was a far better approach.

A meeting had been held between Emma Hill, Mark Leese, Richard Garrad and Rachel to consider the possibility of using the telephone method whereby whoever had dealt with a complaint, their Line Manager rang the customer to go through some standard questions.

Emma reported that it had been discussed at their Management Team meeting where the suggestion had not been well received. It was felt that the Complaints Officer should ring the complainant as there was concern that further points may be raised during the conversation.

Discussion ensued with the following issues raised:-

- Some customers would be very difficult
- What value would it have? Those customers that had their complaint upheld would be satisfied
- It would not only measure satisfaction but give learning points as to how the processes could be improved
- Would it be representative?

Agreed:- (1) That Environment and Development Services trial for 6 weeks ringing a complainant in cases where complaints had been upheld or partially upheld and report thereon to the next meeting.

(2) That the practice of sending satisfaction questionnaires be ceased.

51. Q1 / Q2 CORPORATE COMPLAINTS

Rachel O'Neil reported on Q1/Q2 corporate complaints.

Rachel had received the information and statistics from Mark Leese and was in the process of compiling a report. In summary, in the first half of the year it was likely to show a 8% increase in complaints; if it continued at the same rate there had been a 5% increase in Stage 2s and a 4% reduction in Stage 3s.

There had been a significant rise in certain areas around certain complaints categories i.e. RBT was very high with respect of actions of staff in comparison with the Corporate average.

Rachel felt that the Group needed to discuss what they felt was behind the complaints. What were Directorates doing about complaints? What were the typical complaints?

Mark stated that there had always been concern about the categorisation of complaints. Despite the fact that Directorates had clear advice, they were still categorised differently.

There were also anomalies with CYPS who did not break down Stage 1s. This was to be considered by their Leadership Team as to how they would delivery their Stage 1 responses.

Agreed:- (1) That there be a quarterly agenda item of about key learning points, what improvements had been made in the complaints service and any specific trend that Directorates had noticed.

(2) That case studies be submitted to the next meeting to facilitate a discussion on categorisation of complaints.

52. MONITORING THE COST OF COMPLAINTS

Mark Leese reported on the pilot being undertaken by RBT and circulated a template that he had drawn up that was used for every complaint received to record information on. This allowed a record to be kept of the hours involved in dealing with a complaint and the grades of officers dealing with it and the cost calculated.

It would give an idea of how much dealing with a complaint cost although it was acknowledged that it did not include the time involved once it passed to Democratic Services and the Councillors.

Agreed:- (1) That RBT continue to pilot the template and feed back information to the next meeting.

(2) That EDS also pilot the template.

53. PROVISIONAL COMPLAINT STATISTICS

Mark Leese circulated the provisional complaint statistics. Complaints were slightly less than last year; Q1 and Q2 merged was 91%.

The point was raised again about the need for Corporate guidelines on the categorisation of complaints.

Agreed:- (1) That the report be noted.

(2) That Mark Leese draw up draft Corporate guidelines on categorisation of complaints and submit to the next meeting.

54. STAGE 3 COMPLAINTS

1. Mark Leese reported that there was a lack of information on Siebel to enable a review of a complaint and decide if could have been settled at an earlier stage.
2. There was a need for a protocol when a complaint involved more than 1 Directorate.

55. DATE OF NEXT MEETING

Agreed:- That a further meeting be held on Monday, 11th January, 2010, at 1.30 p.m. in Bailey House.

WEBSITE STRATEGY GROUP
Monday, 12th October, 2009

Present:- Councillor Wyatt (in the Chair): Jon Ashton, Ray Globe, Rachel O'Neil, Steve Pearson and Jenny Vaughan.

Apologies for absence were received from Jane Evans, Tracey Holmes, Pete Lawrenson and Ceri Williams.

36. MINUTES OF MEETING HELD ON 16TH SEPTEMBER, 2009

Agreed:- That the minutes of the meeting held on 16th September, 2009, be agreed as a true record.

Further to Minute No. 32 (Registration Categories), the Chairman reported that he had circulated them and had received no comments.

37. WEBSITE PROGRESS

Update

Rachel O'Neil circulated an updated implementation plan.

She reported that migration of the content was progressing well although a lot of the content was being re-written and was slightly behind where anticipated.

Rachel thanked all those Directorates who had allowed their Directorate Editors to support the migration process. However, RBT had requested a change request to migrate their content at a cost of £16,000. Over the year this would equate to £95,000. The request would be refused and migration of the content would be completed by the Transformation and Strategic Partnership Team.

The X Forms Professional Training had now been completed and all the forms identified. A change request had been submitted to RBT for the information and how the forms should be formatted so the information could go into Siebel and repopulated in Siebel.

Ray Globe stated that he had tried this method and found that when the information was submitted it did not automatically forward to the person concerned and would have to go back into the system to get the information.

Discussion ensued on the use of Twitter, Flickr and YouTube. As the website went live, it was the aim to use Flickr, YouTube and some videos produced by the Learning From Customers Group and anything around the regeneration of Rotherham. Photographs of the area had also been commissioned due to the number of questions from customers wanting to

know what it was like to live in a particular area.

The aim was still to launch the website in mid-November.

Demonstration

A demonstration was given of the new website.

Discussion took place on:-

- Useful links
- "Sign in"
- Rollovers and not clicks – when you went onto an icon, rollover information came up but you lost the original information and had to start again
- Website Focus Group, community groups and Ability Net would use the website and feed their comments back
- Jadu had been alerted to the possible change to "clicks"

38. CUSTOMER CONTACT PRINCIPLES

Rachel O'Neil circulated a paper setting out the reasons why a protocol for contacting the Council was required.

The Customer Access Strategy offered a wide range of access points for customers but over the next few years the aim was to encourage customers to utilise the website and contact centres as the preferred way to contact the Council. The existing web page did not have a consistent approach to contact details with many encouraging customers to visit as a preferred option.

Migration to the new content management system gave the opportunity to review and rationalise contact information. The recommended contact principles were:-

- A web form is always indicated as the primary way to contact the Council
- Web forms were used rather than personal e-mail addresses
- Where able, web forms should be directed to golden mailboxes – the web page should be reviewed on a monthly basis for accuracy
- Telephone numbers provided as the second way to contact the Council
- The customer should always be routed to the golden numbers
- Where possible, personal telephone numbers should not be published on the website
- Where personal telephone numbers were published, the web page should be reviewed on a monthly basis for accuracy
- Face-to-face contact details were suggested only for those services where support could not be delivered by web and telephone services.

Agreed:- That the contact principles be agreed.

39. DIRECTORATE EDITORS

The minutes of the meeting held on 8th October, 2009, were to be circulated.

40. DATE OF NEXT MEETING

Agreed:- That a further meeting be held on Monday, 16th November, 2009, at 10.00 a.m.

**WEBSITE STRATEGY GROUP
Monday, 16th November, 2009**

Present:- Councillor Wyatt (in the Chair); Jon Ashton, Jane Evans, Pete Hayes, Tracy Holmes, Rachel O'Neil, Pete Lawrenson, Jenny Vaughan, Ceri Williams and Sue Wilson,

An apology for absence was received from Veronica De'Ath.

41. MINUTES OF MEETING HELD ON 12TH OCTOBER, 2009

Agreed:- That the minutes of the meeting held on 12th October, 2009, be agreed as a true record.

42. UPDATE ON WEBSITE PROGRESS

Rachel O'Neil reported that it was hoped that the new website would go "live" on 9th December, 2009.

Tracy Holmes felt that this was a bad day due to CAA results needing to be published on the 10th Dec, which could result in increased website traffic for the Council. The strategy group asked that the date be brought forward to Monday, 7th December or Tuesday 8th December, to provide greater contingency for the site.

Jon Ashton gave a demonstration of the new website.

Agreed:- That Jon Ashton would look at the possibility of changing the live date & report back to the group.

43. LOOKING LOCAL – DIGITV

Further to Minute No. 26 of 12th August, 2009, Rachel reported that Jon and herself had met with representatives of Kirklees Council to discuss what Looking Local could offer the Authority.

Rotherham's current contract expires at the end of March, 2010. There is an opportunity to update and develop the site. It has not been updated for the previous 2.5 years and the site has developed throughout this time. We currently achieve 250 hits per week. Comparative councils are achieving 2000 hits per week. The key areas that are in use by comparative councils are Job Centre Plus and viewing and applying for social housing.

Consideration needed to be given as to whether to continue the service at a cost of £12,000 per annum + vat for a self managed service or £15000 per annum + vat for a managed service. .

Discussion ensued on the merits, or otherwise, of continuing with the

service with the following points highlighted:-

- High cost per user
- Need for much improved marketing
- No impact when the switch over to digital took place
- Would only work with Virgin and Sky boxes – not Freeview

The consensus of the meeting was that subscription should not be renewed.

Agreed:- (1) That the issue be discussed at the E-Government Board.

(2) That the E-Government Board be informed that this Group was not in favour of renewing the Authority's subscription.

44. MARKETING VIA THE WEBSITE

Rachel O'Neil reported that, if members of the public were to be encouraged to register on the website, we needed a clear approach to how we would utilise this information and market information to customers based on their interests.

She asked if each Directorate would consider what information they would like to get out to the public and feed back to Jon Ashton as soon as possible.

Tracy Holmes reported that work had commenced with the individual Directorates with regard to marketing for their particular areas. As part of their campaign, the website should be included.

Agreed:- (1) that Directorate leads feed marketing information to Jon Ashton..

(2) that Tracy Holmes provides Jon Ashton with details of marketing plans produced to date.

45. DEVELOPING A WEBSITE PROGRAMME FOR Q4 2009 / Q1 2010

Rachel O'Neil reported that the website could be used as a promotional tool for the Directorates for which a forward plan was required.

She asked that Directorates consider forthcoming activity and inform Jon Ashton of such. Jon Ashton would also work closely with Tracy Holmes and the Communications and Marketing Team.

Examples of what could be included in the plan were:-

- Forthcoming consultation
- Fees and charges
- Council's Forward Plan of Key Decisions

– Elections

Rachel asked if Directorates could get information to Jon within the next three weeks, so as to enable a draft to be submitted to the next meeting.

Tracy stated that this should also link to existing marketing campaigns and would report it to the Communications and Marketing Group.

Jon was also working on how to promote the website internally. Externally, there would be a soft launch and a double page spread in Rotherham News in the January / February edition.

Change Requests had been submitted to RBT to give capacity to transact on line. This would allow the public to do business with the council online.

Agreed:- That the report be noted.

46. DIRECTORATE EDITORS

The minutes of the meeting held on 9th October and 9th November, 2009, were noted.

Discussion ensued on the golden contact details and the long Christmas closure. It was noted that there was an ability to set up pages which could go live on Boxing Day. Jadu and their contactor would be able to monitor the system in case it failed during the shutdown period.

Agreed:- That the shutdown emergency contact numbers be included on the website.

47. DATE OF NEXT MEETING

Agreed:- That a further meeting be held on Monday, 14th December, 2009, at 9.00 a.m.

FINANCIAL SERVICES

E-Government Board

Minutes of the Meeting

Date	Thursday 3 rd September 2009
Time	1.30pm
Venue	Room 1, Town Hall
Chair	Councillor Ken Wyatt (KW)
Minute Taker	Angela Kemp (AK)

Attendees	Initials	Directorate
Jon Ashton	JA	Financial Services
Richard Copley	RC	Financial Services
Jayne Dickson	JD	RBT
Mags Evers (part)	ME	Electoral Services
Richard Garrad	RG	EDS
Shaun Johnson	SJ	RBT
Paul Harris	PH	EDS
Tracey Parkin	TP	Strategic HR
Sue Wilson	SW	CYPS

Apologies	Initials	Directorate
Andrew Bedford	AAB	Financial Services
Sarah Corbett	SC	Legal Services
Jane Evans	JE	EDS
Steve Houghton-Burnett	SHB	RBT
Frank Hodgkiss	FH	Councillor
Mark Gannon	MG	Financial Services
Tom Sweetman	TS	Neighbourhoods & Adult Services

No.	Item	Action
1.	<p><u>Apologies for Absence</u></p> <p>Apologies were noted as above.</p>	
2.	<p><u>New Elections Management System</u></p> <p>ME presented a report informing the e-government board of the urgent replacement of the software system used by Electoral Services which received approval from CMT on 13 July 09.</p> <p>ME set out the context and background as to why an urgent decision was required to agree the replacement of the software system. ME provided details of the comparisons undertaken between available systems in terms of functionality, reliability and cost together with timescales for implementation and the reasons for the urgency of the project.</p> <p>ME explained that following numerous discussions with the existing supplier Northgate, by June 2009 it became apparent that no further progress had been made to resolve the functionality problems of the system. It was agreed at this point to explore other potential solutions and X-press Software Solutions were identified as the preferred supplier for</p>	

No.	Item	Action
	<p>delivering a product fit for purpose.</p> <p>The e-government board noted the exceptional circumstances surrounding the need to move quickly on this issue and seek agreement outside of the usual reporting channels and agreed the following recommendations :-</p> <ul style="list-style-type: none"> • To endorse the approval already provided by CMT to purchase the replacement Electoral Management System from X-press Software Solutions and support the termination of the current contract with Northgate. • Support the recommendation that capital funding be released to fund initial purchase and set up costs 	
3.	<p><u>Minutes of the Previous Meeting held on 3rd July 2009</u></p> <p>The minutes of the previous meeting were agreed as a true and accurate record.</p>	
4.	<p><u>Matters Arising</u></p> <p>None noted.</p>	
5.	<p><u>VOIP Update</u></p> <p>RC advised that there are now 3 live deployments of VOIP, these were noted as follows :-</p> <ul style="list-style-type: none"> • Maltby Service Centre • Doncaster Gate Phase 1 (CX's Directorate) • Doncaster Gate Phase 2 (Financial Services Directorate) <p>A total of 250 '1120' VOIP handsets have been deployed resulting in 5% of the roll out now being complete. It is expected that the roll out will be fully completed by March 2012 which will see the deployment of a total of 3900 handsets</p> <p>It was noted that there have been some procedural/policy issues that had not been anticipated during roll out, with particular concern noted around the high number of calls going to voicemail. BT are currently working on system set up and exploring options around the use of hunt groups, pilot groups and multiple call ringing (MCR).</p> <p>The next deployment of handsets will be to Norfolk House and work is ongoing with RBT to ensure that the number of calls going to voicemail will be reduced prior to the roll out.</p> <p>RC commented that a paper may be required to a future e-government board, which provides further detail around policy issues of VOIP phone usage.</p>	RC

No.	Item	Action
6.	<p><u>RMBC's New Website – Progress Update and Design Presentation</u></p> <p>JA reported on progress made to date on the new website and provided a short presentation including a preview of the new look website design. The following updates were noted:-</p> <ul style="list-style-type: none"> • Training has been completed on the Content Management System • Training has been completed on 'writing for the website' • Editorial guidelines have been developed • Website content is being migrated • Design customer feedback has been completed and a preferred prototype has been developed • Life events are being written following feedback • A self service approach has been identified and system development analysis is being completed. • Interactive media requirements are being scoped. • Customer feedback has been completed • Design option 2 has been identified as the preferred option • Feedback has been provided & a final design has been prepared for review. <p>The new website remains on schedule to go live towards the end of October / early November.</p> <p>The e-government board welcomed the progress made on the website development and noted the expected 'go live' date.</p>	
7.	<p><u>EDRMS</u></p> <p>PH reported that the options review paper was presented to and approved by CMT on 27th July.</p> <p>Cimtech are now producing a detailed business case which is expected to be made available within the next month.</p> <p>The e-government board noted the positive progress made to date with the EDRMS project.</p>	
8.	<p><u>BT Consultancy Days – Requests for Projects</u></p> <p>RC provided a reminder to the Board encouraging consideration of potential projects to use for consultancy days. It was noted that there had been one expression of interest submitted from Culture and Leisure Services relating to the digitisation of Archives and Museums collections.</p> <p>RC/SJ agreed to speak to SHB to ensure the note around what types of consultancy areas BT can offer is circulated.</p>	<p>ALL</p> <p>RC/SJ</p>
9.	<p><u>HR ICT Project Update</u></p> <p>TP provided an update on the progress made to date on the Strategic HR ICT projects. Progress was noted as follows:-</p> <p><u>PSE Training</u></p>	

No.	Item	Action
	<ul style="list-style-type: none"> ▪ First phase completed. All corporate training is being booked via system and Directorate migration is in progress. ▪ Self booking via Yourself of corporate courses went live from June ▪ Training history screen in Yourself now showing training history and courses booked. <p>Future developments to be progressed:-</p> <ul style="list-style-type: none"> - Developing qualifications audit capture, due to go live in October - Emergency Skills capture - Workforce Audit - Next phases, including external qualification course booking, CPD, Skills Framework assessment and PDR records being planned for commencement in autumn and completion next year. <p><u>Yourself Updates</u></p> <ul style="list-style-type: none"> ▪ Now on Version 7 of Yourself ▪ Contract variation wizard went live in July ▪ Sickness monitoring capturing Swine Flu <p>Future developments to be progressed:-</p> <ul style="list-style-type: none"> - Electronic timesheet pilot in schools (running through to December) and further phased roll out in 2010 <p><u>South Yorkshire Pensions Interface</u></p> <ul style="list-style-type: none"> ▪ Completed. Allows transmission of data on-line from PSE to SYP systems. Includes new starters, changes and leavers. <p><u>On-Line Exit Survey</u></p> <p>Future developments to be progressed:-</p> <ul style="list-style-type: none"> - Been designed (new paper version from September) and awaiting RBT quote to trigger on-line survey from leaver notification. <p><u>RMS</u></p> <ul style="list-style-type: none"> ▪ First phase completed in March. 97% of applicants are now applying via new website and on-line applications process. Managers using Recruit to monitor applications. <p>Future developments to be progressed:-</p> <ul style="list-style-type: none"> - Phase 2 will focus on developing talent pool facility and then back end manager process (short listing through to appointment) 	

No.	Item	Action
	<p><u>Further e-Learning</u></p> <ul style="list-style-type: none"> ▪ Customer First module completed ▪ Adult Safeguarding completed ▪ WorkSmart modules completed <p>Future developments to be progressed:-</p> <ul style="list-style-type: none"> - Recruitment & Selection refresher module being updated - Money laundering module in progress - Community Engagement - Records Management <p>TP also agreed to present the quarterly e-learning stats to the next e-Government Board meeting.</p> <p>The e-government board noted the progress made to date on Strategic HR ICT Projects.</p>	TP
10.	<p><u>Any Other Business</u></p> <p><u>E-Gov National Awards</u></p> <p>JD agreed to chase the status of the e-learning bid which is being progressed by Tom Sweetman. RC also agreed to discuss with MG on his return from leave next week.</p> <p><u>NAS/NHS-Rotherham Demonstrator Funding Information Sharing</u></p> <p>JD explained that funding is being made available to provide an N3 connection to enable information sharing between Social Care and NHS to improve patient care. JD agreed to produce a report for the next meeting to provide further detail on the project.</p>	JD/ RC JD
11.	<p><u>Date Of Next Meeting</u></p> <p>Monday 5th October, 1.30pm, Committee Room 2, Town Hall</p>	