

## **CABINET MEMBER FOR RESOURCES AND COMMISSIONING**

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

**Date: Monday, 11th October, 2010**

**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 13th September, 2010 (Pages 1 - 4)
4. Budget Update  
- verbal update by Joe Johnson, Service Finance
5. RBT Performance Report (Pages 5 - 16)
6. E-Gov Board (Pages 17 - 20)  
- minutes of meeting held on 21<sup>st</sup> June, 2010

**(The Chairman authorised consideration of the following item to enable the matter to be processed.)**

7. Annual Fraud Report 2009/10 (Pages 21 - 32)

**CABINET MEMBER FOR RESOURCES AND COMMISSIONING****Monday, 13th September, 2010**

Present:- Councillor Wyatt (in the Chair); Councillor Buckley (Policy Advisor).

**D1. MINUTES OF MEETING HELD ON 12TH JULY, 2010**

Consideration was given to the minutes of the previous meeting held on 12<sup>th</sup> July, 2010.

It was noted that the Audit Commission conference on IFRS (Minute No. 15(1) refers) had not taken place.

Resolved:- That the minutes of the meeting held on 12<sup>th</sup> July, 2010, be approved as a correct record.

**D2. HEALTH WELFARE AND SAFETY PANEL VISIT**

Consideration was given to a report of the visits of inspection made by members of the Council's Health, Welfare and Safety Panel, on Friday, 18<sup>th</sup> June, 2010, to the Aston Customer Service Centre. The Panel had raised a number of issues including:-

- Fire Fighting Equipment
- Handrails
- Hot water boilers
- Glass walls
- Observation Room
- Library
- Main stair case
- Cash room
- Access and egress

A number of the above had been raised with the contractor.

Resolved:- That the report be received and appropriate action be taken in response to the issues noted.

**D3. RBT PERFORMANCE REPORT**

Sarah McCall, Transformation & Strategic Partnerships, presented the submitted report which summarised RBT's performance against contractual measures and key service delivery issues for June and July, 2010, across the areas of Customer Access, Human Resources and Payroll, ICT, Procurement and Revenue and Benefits.

Key points for this period included:-

Customer Access

- All performance targets achieved
- Customer Services had been nominated for the National Customer Service Awards in the category of 'Front Line Customer Service Team'
- During June, 6 complaints were closed; 2 closed not upheld, 1 closed partially upheld and 3 closed upheld
- During July 4 complaints were received; 2 closed not upheld, 1 closed partially upheld and 1 closed upheld
- To address issues in respect of Registration Service appointment availability, appointment times would be reduced from 45 to 30 minutes from 1<sup>st</sup> September, 2010
- Review of ceremony prices currently being undertaken

Human Resources and Payroll

- All performance targets achieved
- Scoping work for the new PSE servers now complete and the Change Request response being considered by the ICT Client
- Brinsworth and Wales Comprehensive Schools had confirmed their intentions to move to Academy status from 1<sup>st</sup> October, 2010. A meeting had been held with the key stakeholders to ensure progress of such issues as BACS transfers, employer tax reference and payroll timetable changes etc were fully understood
- Development work Version 1.1 Yourself release commenced
- Review of HR Service Centre Management structure now nearing completion

ICT

- All performance targets achieved
- Active Navigation being used to analyse the data currently stored on G:/ and H:/ drives
- 6 network suppliers had been invited to bid for the provision of a new network topology in preparation for the move to the new Data Centre in Riverside House

Procurement

- All performance targets achieved with the exception of PO6 (catalogue orders) in June which achieved 18.57% against a target of 19%. In July it again missed target achieving 17.06% and PO2 (cheque requests handling time) achieved 98% against a target of 98.46%
- PO6 had been affected by changes in officer ordering behaviour to address transaction volumes
- Failure of PO2 during July was due to a clerical error

3D CABINET MEMBER FOR RESOURCES AND COMMISSIONING - 13/ 09/ 10

- Former BVP18 achieved 94.87% in June, and 94.84% in July, 2010. The current year to date position was 96.19%, an improvement on the same point during 2009/ 10 when performance achieved a year to date figure of 95.23%
- The number of transactions handled by the Procurement Service increased with 208,506 transactions during 2009/ 10 against baselined volumes of 177,000

Revenues and Benefits

- Council Tax Collection Rate 37.43% at the end of July, 2010, 0.33% lower than the same point in 2009/ 10
- The target for 2010/ 11 continued to be a Council Tax Collection Rate which placed Rotherham in the upper performance quartile for Metropolitan District Councils with a minimum collection level of 97.0% regardless of quartile position
- There had been 1,047 Council Tax Liability Orders referred to the bailiff up to the end of July, 3 of which were classed as vulnerable cases
- Average number of days taken to action a Council Tax Change of Circumstance was 7.25 days. This was better than the performance level which the service aimed to achieve i.e. 14 days
- NNDR collection rate was 40.68% at the end of July, 2010, 1.136% up on the same point in 2009/ 10.
- The NNDR collection figure had been adjusted to incorporate the affect of the NNDR Deferral Scheme. The year end target remained a collection rate which placed Rotherham in the upper performance quartile for Metropolitan District Councils with a maximum collection level of 98.5% regardless of quartile position
- 179 Business Rates Liability Orders had been referred to the bailiff in the current financial year up to the end of July, 2010
- The number of active cases continued to fall due to a number of businesses who had applied successfully for deferment had actually gone on to pay their accounts in full and some cases where the payer had defaulted on payments and recovery actions had commenced.
- There were currently 269 active deferral cases allowing a deferral of £459,926.84
- Revs and Bens Business Process Reengineering went live on 12<sup>th</sup> July. Staff across the teams had provided positive feedback on improved processes and documentation with improved processing times
- 4 complaints were closed during June; 1 closed not upheld and 3 closed upheld.
- 12 complaints received during July; 5 closed not upheld, 2

withdrawn, 2 yet to be finalised and 3 closed as upheld

Resolved:- That RBT's performance against contractual measures and key service delivery issues for June and July, 2010, be noted.

(Councillor Buckley declared a personal interest in the above item – Governor of Brinsworth Comprehensive School)

**D4. WEBSITE STRATEGY GROUP**

Consideration was given to the minutes of the Website Strategy Group held on 14<sup>th</sup> July and 25<sup>th</sup> August, 2010.

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

**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

1.	<b>Meeting:</b>	<b>Cabinet Member for Resources &amp; Commissioning</b>
2.	<b>Date:</b>	<b>11<sup>th</sup> October 2010</b>
3.	<b>Title:</b>	<b>RBT Performance Report for August 2010</b>
4.	<b>Directorate:</b>	<b>Financial Services</b>

**5. Summary**

This report summarises RBT's performance against contractual measures and key service delivery issues for August 2010 across the areas of:

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

**6. Recommendations**

The Cabinet Member for Resources and Commissioning is asked to:

- **Note RBT's performance against contractual measures and key service delivery issues for August 2010.**

## **7. Proposals and Details**

Full details of performance against operational measures for May 2010 for all workstreams are attached at Appendix A. It should be noted that the majority of operational measures for the Revenues and Benefits workstream are annual and information provided is for monitoring purposes only.

### **7.1 Customer Access**

#### **7.1.1 *Overall Performance***

All Customer Access operational measures were achieved according to their contractual targets during August 2010.

#### **7.1.2 *Complaints***

Two complaints were received in August 2010. One has not yet been resolved and the other was closed not upheld as the service was assessed to have acted appropriately.

#### **7.1.3 *Extending Payment Options***

Work continues on the transformation and good progress has been made on identifying payment network providers. Work is ongoing between the Client and RBT to finalise funding arrangements.

#### **7.1.4 *Contact Centre Repairs Service***

The first of a series of workshops with contractors Morrison's and Willmott Dixon and the 2010 Client was held in September to discuss issues around policy, priorities, contact centre processes and Key Performance Indicators. Development of new scripts, training material and plans for co-location of contractor staff is now underway.

#### **7.1.5 *Avoidable Contact***

A go live date of Monday 4<sup>th</sup> October 2010 has been agreed for the recording of avoidable contact for all customer contact made via the Siebel CRM system. This change will reduce the need for manual auditing of avoidable contact. The system development will help to strengthen our understanding of avoidable contact across all Siebel processes and enable us to quickly take action to reduce levels.

### **7.2 Human Resources and Payroll (HR+P)**

#### **7.2.1 *Overall Performance***

All targets for operational measures were achieved during August 2010.

#### **7.2.2 *Current Projects***

The teachers' pay award and annual increments will be processed and paid with September's salary.

A business is being produced for the refresh of servers which support the PSE HR and Payroll system and will be submitted to the e-Government Board for consideration.

Approved applications for Voluntary Early Retirement/Voluntary Severance have been progressed. Payments will be processed with employees' final pay, or by manual cheque as soon as practicable after an employee has left service.

Work is ongoing to finalise the transfer arrangements for employees of 2010 Ltd moving to new service provision arrangements from October.

The roof at the Millside Training Centre suffered severe vandalism during August and is now subject to a major project to renew. Activities at Millside were not affected and the training programmes continued as normal. EDS has provided additional security for the building.

### 7.2.3 *Yourself Version 11*

Yourself Version 11 is due for release in November 2010 and will include:

- Further delegated staffing powers automation
- New starter qualification capture
- Training cost capture reminder
- Establishment report sign off (a 2010 Internal Audit requirement)

### 7.2.4 *Complaints*

One complaint was received during the period. The complaint was closed as upheld following which protocols have been reviewed and appropriate guidance given to staff to prevent recurrence.

## 7.3 ICT

### 7.3.1 *Overall Performance*

All targets for the ICT Service were shown as achieved in August 2010.

### 7.3.2 *Modern.gov*

The Modern.gov application is used to create and maintain our Committee agendas and minutes. It also publishes agendas and minutes on the RMBC website. We have upgraded all the hardware and software that Mod.gov uses and we will soon be able to begin, subject to Member approval, using Mod.gov's new functionality such as:

- ePetitioning
- Councillor web pages
- MEP pages
- Forward Plans
- Outside bodies
- Statistics – Councillor attendance at meetings



### 7.3.3 *Roadmap of Obsolescence*

Over the last few months RBT have informed us that the hardware which underpins several of our key systems is in need of replacement. Rather than approaching systems on a piecemeal basis we have asked that RBT produce a 'Roadmap of Obsolescence' that explains what investment will be required over the next 5 years. This will allow us to create a strategy for maintaining all our infrastructure at an appropriate level.

### 7.3.4 *New Managed Print Service*

We have initiated discussions with several suppliers on the subject of a new managed print service for RMBC. By the time we move in to Riverside House we will have a desktop printer service which provides:

- Detailed billing
- Follow me print (collect prints using smartcards)
- Scan to Wisdom EDRMS (for ad-hoc scanning)
- New printers for Riverside House
- Fax to email / email to fax

### 7.3.5 *Government Connect Improvements*

We now have over 100 users of the Government Connect (GC) service. GC allows RMBC staff and Members to securely interact and share data with central government, police, criminal justice service, NHS and other local authorities. Several improvements have been made to the GC service in recent weeks:

- We can now send and receive GC emails with attachments up to 25mb, this makes it easier to share large files securely
- Sensitive data may now be emailed to the Environment Agency via GC
- GC users can now gain access to the National Resilience Extranet
- GC users can now gain access to Free School Meals Eligibility Checking Services

### 7.3.6 *Creation of the South Yorkshire Chief Information Officer Group*

The ICT Client attended the first meeting of the South Yorkshire Chief Information Officer (CIO) Group in Sheffield Town Hall. The group is made up of CIOs from the 4 Local Authorities, SY Police, SY NHS and several universities and colleges.

The group was created at the request of the South Yorkshire Chief Executives Group and is charged with creating efficiencies through knowledge sharing and joint working across South Yorkshire. The topics discussed at the first meeting included presentations on the South Yorkshire implications of the Public Sector Network (PSN - the eventual successor for GC) and the opportunities created by the Digital Region project.

### 7.3.7 *Complaints*

No complaints were received in August.

## 7.4 Procurement

### 7.4.1 *Overall Performance*

All targets for the Procurement workstream were achieved in August 2010 with the exception of PO6 (catalogue orders) which achieved 16.38% against a target of 19%.

### 7.4.2 *BVPI8*

Performance for August 2010 for payment of undisputed invoices within 30 days was 94.21%. The current year to date position is 95.79%, is an improvement on the same point during 2009-10 when performance achieved a year to date figure of 94.74%.

### 7.4.3 *Addressable Spend & Savings Tracking*

Addressable spend and savings figures for are as follows:

<b>Savings in month of July</b>	<b>Savings year to date</b>	<b>Estimated Savings to year end</b>	<b>Addressable Spend in August</b>	<b>Addressable Spend Year to Date</b>
£430k	£1.716	£3.241m	£2.872m	£12.004m

## 7.5 Revenues and Benefits

### 7.5.1 *Council Tax*

As at the end of August 2010 the Council Tax Collection rate stood at 46.46%, which is 0.22% down on the same point in 2009-10. The target 2010-11 continues to be that RBT achieve a Council Tax Collection Rate which places Rotherham in the upper performance quartile for Metropolitan District Councils, with a minimum collection level of 97.0% regardless of quartile position.

The following table illustrates recovery action taken in the year to date compared with the same point in 2009-10: -

<b>Council Tax Collection – Recovery Procedures</b>		
<b>Documents Issued</b>	<b>At August 2010</b>	<b>At August 2009</b>
Reminders	26,035	23,935
Summonses	7,914	7,031
Liability Orders	5,471	6,183

The total number of Council Tax Liability Orders that had been referred to the bailiff in the financial year up to the end of August 2010 is 1,818 of which 2 are classed as vulnerable cases.

The average number of days taken to action a Council Tax Change of Circumstance was 10.75 days at the end of August 2010. This is better than the performance level which the service aims to achieve of 14 days.

#### 7.5.2 NNDR

NNDR collection performance stood at 49.66% at the end of August 2010, which is 1.3% up on the same point in 2009-10. 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 August 2010</b>	<b>At August 2009</b>
Reminders	3,786	2,696
Summons	827	650
489	469	443

The total number of Business Rates Liability Orders that had been referred to the bailiff in the financial year to the end of August 2010 was 229.

With reference to the NNDR Deferral Scheme, the number of active cases continues to fall. This is due to a number of businesses who had applied successfully for deferment, but who have since paid their accounts in full and due to a number of businesses where the payer has defaulted on payments and

recovery actions has commenced. There are currently 269 active deferral cases, allowing a deferral of £459,926.84.

### 7.5.3 *Other Service Measures*

Performance against the remaining Operational Measures continues to be satisfactory. Following implementation of the Business Process Reengineering project, significant improvements have been made to telephony response times, with less than 5% of customers now abandoning calls.

### 7.5.4 *Complaints*

Five complaints were closed during August 2010. Of these one was closed not upheld; one was withdrawn; and three were closed as upheld. Following the upheld complaints, actions have been put in place to prevent recurrence and information shared with relevant teams.

## 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. There were no significant service credits applied in August.

## 9. **Risks and Uncertainties**

The TSP Team work with RBT to proactively identify and manage risks to prevent negative impacts on performance that may affect our corporate performance scores 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 Council directorates in their service delivery.

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

RBT performance reports for August 2010.

### **Contact Name:**

Mark Gannon  
Transformation and Strategic Partnerships Manager  
Extension 54526  
[mark.gannon@rotherham.gov.uk](mailto:mark.gannon@rotherham.gov.uk)

Customer Access Measure	Ref	Target	June	July	August	Status	Comments
Cost per Transaction (Face to Face)	CAO1	4.5		3.52		?	Quarterly measure; smaller is better target
Versatility Measure	CAO2	90	95.58	94.62	96.2	★	
First Contact Resolution by Channel (Face to Face)	CAO3	97.5	100	100	100	★	
First Contact Resolution by Channel (Telephony)	CAO3	95	98.57	100	97.5	★	
Average Call Quality Assessment	CAO4	95	97.13	97.59	96.75	●	
% of Contact not Abandoned (Face to Face)	CAO5	85	99.87	97.64	99.78	★	
% of Contact not Abandoned (Telephony)	CAO5	90	95.78	99.9	98.04	★	
Complaints Handling	CAO7	90	100	100	100	★	Reported quarterly with additional information for tracking
Provision of Management Data	CAO9	100	100	100	100	★	

More than 2% above target  
 Within 2% of target  
 More than 2% below target  
 Unable to report at this time



HR&P Measure	Ref	Target	June	July	Aug	Status	Comments
Accuracy of Contracts	HRO1	95	100	100	98.59	★	
Accuracy of Payment	HRO2	99.5	99.93	99.83	99.9	★	
% of Enquiries Resolved at First Point of Contact	HRO3	80	97.67	98.83	98.39	★	
P45s issued within 3 working days	HRO4	98	100	100	100	★	
Manual Cheques issued within 1 working day	HRO5	98	100	100	100	★	
Non-Statutory Returns by Due Date	HRO6	100	100			?	Quarterly Measure
Quality of Information Given to Caller	HRO7	90	100	100	100	★	
% Contracts of Employment Issued within 15 working days	HRO8	90	100	100	100	★	
CRB Process	HRO9	95	100	100	100	★	
Provision of Management Data	HRO10	100	100	100	100	★	

More than 2% above target  
 Within 2% of target  
 More than 2% below target  
 Unable to report at this time



ICT Measure	Ref	Target	June	July	Aug	Status	Comments
% Availability of Website	ICTO1	99	99.92	99.85	99.96	★	Measure is being renegotiated as only monitoring Payments since website move to Jadu
% Availability of Business Critical Applications	ICTO2	99	99.98	99.95	99.99	★	
% Availability of Telephony Systems	ICTO3	99	100	100	100	★	
% Faults Fixed in Agreed Timescales	ICTO4	94	97.08	95.83	95.82	●	
% ICT Change Requests Completed in Agreed Timescales	ICTO5	95	98.23	98.04	97.6	★	
% Complex Change Requests Completed to Agreed Specification	ICTO6	85				?	Cross Cutting Measure CCS1 now agreed; work to implement monitoring of this depedant measure commenced
First Contact Resolution	ICTO7	25	34.27	37.26	43.99	★	
% Print Jobs Completed as Agreed	ICTO8	95	100	99.92	100	★	
Average Time Taken to Answer Calls	ICTO10	85	94.53	85.84	85.73	●	

More than 2% above target  
 Within 2% of target  
 More than 2% below target  
 Unable to report at this time



Procurement Measure	Ref	Target	June	July	Aug	Status	Comments
% Catalogued Goods or Services Delivered within Lead Times	PO1	88.72	89.6	97.79	92.17	★	
% Cheque Requests Processed on Next Available Payment Run	PO2	98.46	99.00	98.00	98.80	★	Measure failed due to clerical error; actions implemented to prevent recurrence
% Undisputed Invoices Input within 25 calender days	PO3	99.22	99.35	99.67	99.58	★	
% non-eRFQ Open Requisitions Consolidated into Purchase Orders	PO4	75	85.63	89.53	90.2	★	
% Framework Agreements Risk Assessed for Impact on Local Economy	PO5	96	100			?	Quarterly measure.
% Orders Placed Against Electronic Catalogue	PO6	19	18.57	17.06	16.38	▲	Measure failed due to change in way officers order at Council request; measure to be reviewed for 2010/11
% eRFQ Open Requisitions	PO7	85%				?	Nil return for June, July & August as there were no eRFQs. Mesure being reviewed for 2010/11
% Framework Agreements Developed with consideration given to Sustainability	PO8	98	100			?	Quarterly measure.
Provision of Management Data	PO9	100	100	100	100	★	

More than 2% above target  
 Within 2% of target  
 More than 2% below target  
 Unable to report at this time





Revenue & Benefit Measure	Ref	Target	June	July	Aug	Status	Comments
% Council Tax Collected	RBO1	97	28.41	37.43	46.46		Annual measure
% NNDR Collected	RBO2	98.50	33.13	40.68	49.66		Annual measure
Time Taken to Process HB/CTB New Claims and Change Events	RBO3	15	13.34	13.97	14.77		Annual smaller is better measure
Number of Fraud Prosecutions & Sanctions per 1000 caseload	RBO4	4.25	1.52	2.09	2.95		Annual measure
Cumulative Council Tax Arrears as compared to Council Tax Year End Total Collectable Debt	RBO5	4.8					Annual smaller is better measure; monitoring data not available
Year End Council Tax Write Off as % of Collectable Debt	RBO6	0.27					Annual smaller is better measure; monitoring data not available
Number of Changes in HB/CTB Entitlements within the year per 1000	RBO7	TQM					Annual measure; monitoring data not available
Level of LA Overpayments not to exceed LA Error Local Subsidy Threshold	RBO8	0.48	0.40	0.41	0.40		Annual smaller is better measure
Total Amount of HB Overpayments recovered in period as % of HB Overpayments outstanding	RBO9	41	19.54	24.25	27.45		Annual measure
% New Benefit Claims Decided within 14 days of Receipt	RBO10	90.5	91.25	81.95	89.42		Quarterly measure
Total Amount of HB Overpayments written off during the period as % of Total Amount of HB Overpayments	RBO11	6.99	0.88		0.88		Annual smaller is better target; monitoring data not available
% Applications for HB/CTB Reconsideration / Revision Actioned & Notified within 4 weeks	RBO12	75	90.00	91.07	88.06		Annual measure
% HB/CTB Appeals Submitted to the Tribunal Service in 4 weeks	RBO13	85	91	95	95		Annual measure
Provision of Management Data	RBO14	100	100	100	100		

More than 2% above target  
 Within 2% of target  
 More than 2% below target  
 Unable to report at this time



## FINANCIAL SERVICES

### E-Government Board

#### Minutes of the Meeting

<b>Date</b>	Monday 21 <sup>st</sup> June, 2010
<b>Time</b>	10.30 am
<b>Venue</b>	Board Room, Doncaster Gate
<b>Chair</b>	Councillor Ken Wyatt (KW)
<b>Minute Taker</b>	Andrea Pearson (AP)

<b>Attendees</b>	<b>Initials</b>	<b>Directorate</b>
Cllr Alan Buckley	AB	Cabinet Adviser
Richard Copley	RC	Financial Services
Sarah Corbett	SC	Chief Executive's
Jayne Dickson	JD	RBT
Richard Douthwaite	RD	Financial Services
Mark Gannon	MG	Financial Services
Shaun Johnson	SJ	RBT
Tracey Parkin	TP	Chief Executive's
Jon Ashton	JA	Financial Services
Susan Gray	SG	CYPS
Kirsty Faundez	KF	EDS
Ben Potts	BP	EDS
Nick Glarvey	NG	BT
Nick Milnes	NM	BT

<b>Apologies</b>	<b>Initials</b>	<b>Directorate</b>
Sue Wilson	SW	CYPS
Jane Evans	JE	EDS
Paul Harris	PH	EDS

<b>No.</b>	<b>Item</b>	<b>Action</b>
1.	<p><b><u>Apologies for Absence</u></b></p> <p>Apologies were noted as above.</p> <p>Sue Wilson (Susan Gray attending to represent) Jane Evans (Kirsty Faundez attending to represent) Paul Harris</p>	
2.	<p><b><u>Minutes of the Previous Meeting held on 26th April 2010</u></b></p> <p>KW welcomed Cllr Buckley (Cabinet Adviser) to the group and round the table introductions were made.</p> <p>The minutes of the previous meeting were agreed as a true and accurate record.</p>	
3.	<p><b><u>Matters Arising</u></b></p> <p>KW asked whether any further developments had been made on Digital</p>	

No.	Item	Action
	Access to Culture, RC to check on status and give an update to the next meeting. It was noted that the University are still currently bidding for funding.	RC
4.	<p><b><u>Replacement of Tribal Enterprise System</u></b></p> <p>BP was in attendance to update the group on the decision to select a corporate asset management data system which is to replace the current Tribal system. The new system is to provide a corporate and fully integrated asset management tool.</p> <p>It was the intention to upgrade the current Tribal system but it has been agreed to integrate into the CIPFA asset management system which has recently been procured within Corporate Finance. The modules in place are for capital accounting and valuation. It was also felt that this system could be rolled out and shared with other partners within the public sector which would drive down costs.</p> <p>Officers from EDS are working closely with colleagues within Finance with a view to a full roll out the system. Discussions are taking place with S Booth, C Shaw and I Bratley.</p> <p>The system would be funded from existing sources.</p> <p>Reference was made to the value for money work currently being undertaken within NAS, BP reported that he had been working with Dave Richmond on this.</p> <p>RD stressed that with imminent work moving on to the budget this needs to be mapped closely.</p>	
5.	<p><b><u>VPN Sharing</u></b></p> <p>MG gave the context which included the need for the workforce to be much more agile, to be able to access systems securely and to utilise infrastructure that was affordable.</p> <p>VPN tokens are currently assigned individually to users. The Council has been working with RBT over the last 2 years to negotiate reduced monthly costs. The Transformation and Strategic Partnerships Team have successfully negotiated monthly price reductions in that time from £30 to £18; however, the cost of the monthly RBT charges for VPN still cost the Council in the region of £250,000 per annum. These costs are unaffordable going forward. Attempts to further reduce costs have been made by the Council but RBT have not been willing to reduce them further. The Council has therefore looked at other ways to achieve reduced costs and has decided to progress the option of shared VPN tokens.</p> <p>RBT has previously been asked if this was feasible on more than one occasion and had told the Council that it wasn't. The Council decided to revisit this again recently and on asking RBT again, they admitted that it was actually technically possible to share VPN tokens; however, they made it clear that they did not think it was a good idea on security grounds and because this has not been done elsewhere to their knowledge. The</p>	

No.	Item	Action
	<p>Council sought a second opinion and commissioned an internal audit report to assess the risk. The audit report found that the risk of shared VPN usage was more or less equivalent to the risks posed by individual VPN usage currently. The proposal and the audit report were discussed by CIG who felt that the risks are already in existence so the new proposal doesn't contribute any further issues and they are out weighed by the reduction in costs anyway.</p> <p>The group discussed at length the proposal of shared VPN usage, the pros and cons and the different options available of how the tokens would be controlled.</p> <p>The Board agreed to proceed with shared VPN adopting the preferred option for allocation which would be via a signing in and out system. The next phase of the process is the management arrangements which need to be written, tried and tested and then communicated to users.</p> <p>RBT outlined their concerns around the risks, the same arguments that had previously been discussed at CIGG and with Internal Audit, and it wasn't felt that anything further had been added which would require the issue to be revisited. RBT confirmed that they would accept the Council's decision despite their misgivings and would support the implementation of the solution.</p> <p>Discussions took place around where the responsibility lays, MG stressed with an approved system such as the signing in and out procedure whoever is the last officer to have the token assigned to them is responsible; same as any other equipment.</p> <p>It was noted that the pilot was being tested within a small team of in CYPS; feedback would be brought to the next meeting for information.</p> <p>The Board agreed to go with trial and roll out further subject to no issues.</p> <p>KW suggested the need to share this with the Corporate Governance Group officers to contact Rob Houghton to put on the next agenda.</p>	<p>MG</p> <p>MG</p>
6.	<p><b><u>BT Consultancy Days</u></b></p> <p>MG reported to the group that every year the Council has an allocation of 75 days from BT to be used by the Council. It was stressed that these are not just for ICT. Agreed representatives to go back to Directorates to discuss how and what these days could be used for. Noted the days are split 12 for each Directorate and 15 for Corporate.</p> <p>Directorates to report to MG by 2<sup>nd</sup> July, 2010.</p>	<p>ALL</p>
7.	<p><b><u>Update on Document &amp; Records Management</u></b></p> <p>MG gave the group an update following the steering group;</p> <p>It was noted that there are 4 strands to the activity</p> <ul style="list-style-type: none"> <li>• Clear policies and guidance</li> </ul>	

No.	Item	Action
	<ul style="list-style-type: none"> <li>• Effective paper storage</li> <li>• Effective solutions</li> <li>• Central scanning and mail room</li> </ul> <p>It was reported that there is to be half day planning session to be held regarding the roll out and MG to report to SLT shortly with the plan to roll out before the move to Riverside House.</p>	
8.	<p><b><u>Any Other Business</u></b></p> <p>No other business reported.</p>	
9.	<p><b><u>Date Of Next Meeting</u></b></p> <p>9.00am, 10<sup>th</sup> September 2010, Board Room, Doncaster Gate</p>	

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO AUDIT COMMITTEE</b>
--

<b>1.</b>	<b>Meeting:</b>	<b>Audit Committee</b>
<b>2.</b>	<b>Date:</b>	<b>29<sup>th</sup> September 2010</b>
<b>3.</b>	<b>Title:</b>	<b>Annual Fraud Report 2009/10</b>
<b>4.</b>	<b>Directorate:</b>	<b>Financial Services</b>

## 5. Summary

This report refers to our second 'Annual Fraud Report'. The purpose of the report is to bring together in one document a summary of the work which has taken place in the period to prevent and detect fraud and corruption. By publicising the report, we intend to demonstrate the Council's commitment to minimising the risk of fraud and to act as a deterrent to would-be fraudsters.

RBT, which administers the Housing Benefit service on the Council's behalf, recovered over £3.1m overpayments of benefits made as a result of fraud or error. Any amounts recovered / claimed have been used in delivering front line services for the benefit of Rotherham residents.

RBT also obtained 34 prosecutions for cases of Housing and Council Tax Benefit Fraud

Investigations of cases highlighted by the Audit Commission's 'National Fraud Initiative' led by the Council's Internal Audit Service, identified savings in excess of £200k.

## 6. Recommendations

**The Audit Committee is asked to:-**

- **Support the production of the 'Annual Fraud Report'**
- **To agree to appropriate publicity being produced to highlight the outcomes from the Council's anti-fraud activity and to act as a deterrent to fraud**

## 7. Proposals and Details

Attached at **Appendix A** is a draft annual fraud report for 2009/10. By approving the contents and distribution of the report, the Audit Committee will be supporting an important aspect of the Council's Anti-Fraud & Corruption Strategy. The purpose of the report is to raise awareness and inform our stakeholders of the work the Council undertakes to manage the risk of fraud and corruption. It brings together in one document a summary of the outcomes of our work to prevent and detect fraud and corruption.

There were over 7,400 Housing and Council Tax Benefit overpayments made in 2009/10. Most of these were not fraudulent. However, RBT completed investigations in to 898 suspicious overpayment cases. The Service obtained 34 successful prosecutions for Housing and Council Tax Benefit Fraud. RBT also issued 68 formal cautions and 80 administrative penalties.

Other outcomes included:-

- Recovering over £3.1 million paid out in fraudulent or incorrect housing benefit claims.
- Recharging Council Tax payers £898k for overpayments of Council Tax benefit payments
- Claiming Government subsidy totalling £974k as a result of the Council's identification of overpayments.
- Identifying savings of over £200k following investigations lead by Internal Audit into a number of cases highlighted by the Audit Commission's National Fraud Initiative. These savings related principally to Single Person Discount (£156k -Council Tax) and false Benefit Claims (£50k)

## 8. Finance

Any costs associated with publicising the outcomes achieved in the year can be contained within financial services' budget.

Publication of positive outcomes can enhance the Council's reputation and deter fraud and corruption against the Council.

## 9. Risks and Uncertainties

Failure to maintain robust arrangements for the prevention and detection of fraud and corruption increases the risk of loss to the Council from fraudulent activity.

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

The production and distribution of the Annual Fraud Report 2009/10 will contribute towards good governance.

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

Cipfa's – 'Managing the Risk of Fraud'  
Anti-Fraud Policy and Action Plan

### **Contact Names:**

*Colin Earl, Director of Internal Audit and Governance, x22033*  
*Paul Hindle, Chief Auditor, x23290*

### **Appendices:**

**Appendix A            Annual Fraud Report 2009/10**



# Rotherham MBC

## ANNUAL FRAUD REPORT 2009/10

## **ROTHERHAM MBC ANNUAL FRAUD REPORT 2009/10**

<b>C O N T E N T S</b>	<b>Page</b>
<b>INTRODUCTION</b>	<b>2</b>
<b>PERFORMANCE SUMMARY</b>	<b>2 – 3</b>
<b>THE COUNCIL'S ARRANGEMENTS FOR MANAGING THE RISK OF FRAUD &amp; CORRUPTION</b>	<b>3</b>
<b>THE ROLE OF INTERNAL AUDIT</b>	<b>3</b>
<b>HOUSING AND COUNCIL TAX BENEFIT</b>	<b>4 – 6</b>
<b>NATIONAL FRAUD INITIATIVE</b>	<b>6 – 7</b>
<b>EXTERNAL ASSESSMENTS</b>	<b>8</b>
<b>REPORTING YOUR CONCERNS</b>	<b>8</b>

## INTRODUCTION

***Rotherham Council has a zero tolerance to fraud and corruption***

This is the second annual fraud report produced by Rotherham Council. Its purpose is to raise awareness by informing our stakeholders of the work the Council undertakes to manage the risk of fraud and corruption. It brings together in one document a summary of the outcomes of our work to prevent and detect fraud and corruption.

Since the publication of our first annual fraud report in 2008/09 the economic position nationally has worsened. This in turn has led to a further tightening of the purse strings locally. In such an economic climate the importance of minimising the risk of fraud is increased. We might expect to see an increased risk of losses through fraud and corruption as individuals and organisations get into financial difficulty. It is important, therefore, that we maintain our guard in this respect, as any public sector body can ill afford to suffer losses of this nature when our budgets are so constrained.

Rotherham Borough Council employs over 13,400 people and provides services costing more than £390 million in 2009/10. It paid over £87 million to 29,000 Housing and Council Tax Benefits claimants. Like any organisation of this size, the Council can be vulnerable to fraud and corruption, both from within and outside the organisation. The Council aims to minimise its risk of loss due to fraud and corruption, recognising that any loss incurred may be borne by the honest majority.

The Council's commitment to minimising the risk of fraud and corruption is outlined in the following extract from its Anti-Fraud & Corruption Policy:

*'The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.'*

## PERFORMANCE SUMMARY FOR 2009/10

In 2009/10 Rotherham Brought Together (RBT), which administers the Benefits Service on the Council's behalf, recovered over £3.1m in overpayments of benefits made as a result of fraud or error. (NB This includes Government subsidy relating to the overpayments). *This compares with a total recovery in 2008/09 of £2.8m.* The recoveries were made up of:

- Recovering £1.32 (£1.28m 08/09) million paid out in fraudulent or incorrect housing benefits claims.
- Recharging Council Tax payers £898,000 (£630k 08/09) for overpayments of Council Tax benefits payments.
- Government subsidy totalling £974,000 (£947k 08/09) received as a result of the Council's identification of overpayments.

**Any amounts recovered / claimed have been used in delivering front line services for the benefit of residents of Rotherham.**

There were over 7,400 benefits overpayments made in 2009/10. Most of these were not fraudulent. However, RBT completed investigations in 2009/10 into 898 suspicious overpayment cases. The service obtained 34 successful prosecutions for Housing and Council Tax Benefit Fraud. RBT also issued 68 formal cautions and 80 administrative penalties.

Investigations of cases highlighted by the Audit Commissions 'National Fraud Initiative' led by the Council's Internal Audit Service, identified savings in excess of £200k.

## **THE COUNCIL'S ARRANGEMENTS FOR MANAGING THE RISK OF FRAUD & CORRUPTION**

The Council's primary aim remains to stop fraud from occurring. We reported in 2008/09 that the Council had completed an overall review of its arrangements for managing the risk of fraud and corruption. This led to the production of an Anti-Fraud & Corruption Strategy, which included a number of practical measures to strengthen our arrangements in this regard.

During 2009/10 as part of delivering our anti-fraud and corruption strategy we have implemented the following measures:-

- Conducted a survey of over 2,000 employees. This showed the majority of our workforce has confidence in, and awareness of, our anti-fraud and corruption policies and procedures.
- Developed 'guidance notes' containing advice for our staff relating to :-
  - a) What to do when fraud is suspected (Fraud Response Plan)
  - b) Anti- Money Laundering
- Provided training material for employees ('e-learning')
- Developed and agreed a counter fraud charter with the Unions representing our workforce.
- Reviewed the arrangements for the management of Housing and Council Tax Benefit Fraud. This review found that the Benefits Team continues to operate in line with best practice standards. It also highlighted the opportunity to publicise more widely the Council's Fraud Hotline telephone facility for citizens to report any suspicions of Benefits fraud

As part of our ongoing commitment we will continue to monitor and report upon the outcomes of our anti-fraud and corruption work.

## **THE ROLE OF INTERNAL AUDIT**

The Council's Internal Audit Team has a crucial role in helping the Council to prevent and detect fraud and corruption. The Team carries out an annual assessment of the areas most at risk of fraudulent activity. It carries out reviews of the controls in place to prevent fraud and corruption in these areas on a cyclical basis and, where relevant, makes recommendations for strengthening existing arrangements.

Internal Audit also:

- Advises managers about controls to be implemented in new systems or as a result of system changes
- Helps managers to investigate suspicious situations

Internal Audit are also required to report to the Council's external auditor any cases of fraud exceeding £10,000. There were no general cases to report in 2009/10.

## HOUSING AND COUNCIL TAX BENEFIT

### Overpayments

The Council recognises that many overpayments can and do occur as a result of errors made during the application process or later, if changes to any benefits entitlement are not properly or promptly identified. The Council does not pursue any formal sanctions against anyone innocently causing an overpayment by making a genuine error. The Council does, however, seek to recover any overpayments incurred, either by error or fraud.

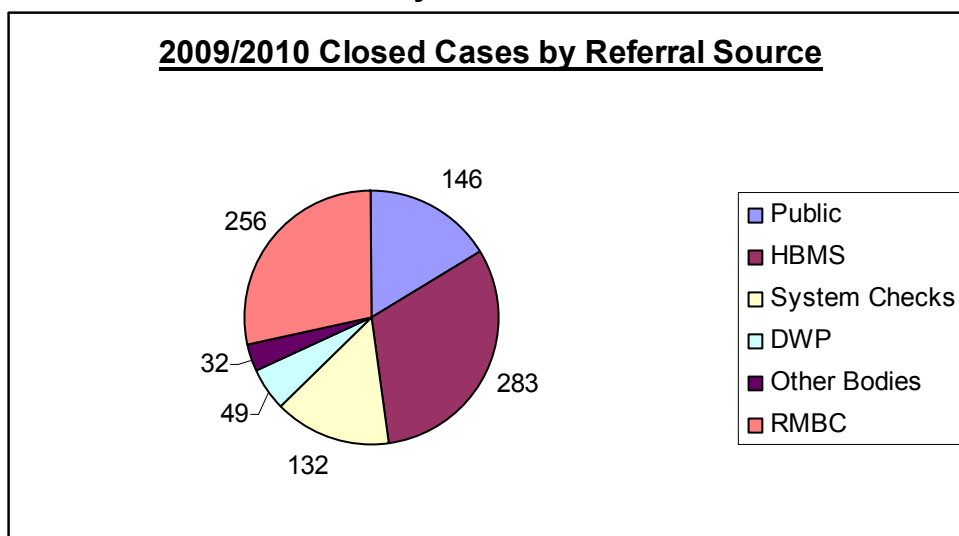
### Benefits Fraud

The Council has a Benefits Fraud Team, managed by RBT (a partnership company between the Council and BT), which comprises 7 staff including 5 benefits fraud investigators. The Team investigates potentially fraudulent benefits claims received by the Authority.

The Team receives referrals from many sources. The Public, for example, referred 217 of the cases closed in 2009/10, with many referred through the Fraud Hotline. Referrals are also received from the Department for Work and Pensions (DWP) and the Housing Benefit Matching Service (HBMS).

Chart 1 shows a breakdown of all 898 referrals where investigations were closed in 2009/10.

**Chart 1: Source of referrals closed by Benefits Fraud Team in 2009/10**



Source: RBT

As a result of its work, RBT:

- Recovered over £1.32 million paid out in fraudulent or incorrect housing benefits claims.
- Recharged Council Tax payers £898,000 for overpayments of Council Tax benefits payments.
- Claimed Government subsidy totalling £974,000 as a result of the Council's identification of overpayments.

One example of a case investigated by the Benefits Fraud Team is provided below:

### Case Study 1

An investigation was undertaken following intelligence gathered that a customer who was in receipt of Income Support, Housing and Council Tax benefit had an undeclared partner in the property who was in full time employment. Further evidence gathered suggested that the partner was indeed resident in the property and that the claimant had fraudulently claimed over £35,000.

The customer was interviewed under caution and the evidence was put to the customer. The customer continuously denied that her partner was resident in the property. However, on the basis of the evidence collected, the case was referred to Rotherham Magistrates Court and was subsequently referred to Sheffield Crown Court, where the claimant was found guilty and sentenced to 9 months imprisonment suspended for 12 months and also directed to undertake 150 hours unpaid work. Arrangements to repay the debt have been made.

The proportion of 2009/10 overpayments recovered in the year by Rotherham Council was 45.0%, exceeding our local performance target of 41%.

The performance of the Benefits Fraud Team is also partly measured in terms of the number of sanctions\*<sup>1</sup> achieved in the year. The Team's target for 2009/10 was to achieve 4.2 sanctions per 1,000 caseload, which equated to a target of 123 sanctions for the year (based on an average caseload of 29,173). Actual performance was 182 sanctions, equating to 6.2 per 1,000 caseload.

Results over the last three years show how the service has improved its overall performance, including in particular in relation to the number of successful criminal prosecutions which have increased by 83.3% since 2006/07 (from 19 to 36). See Table 1.

**Table 1: The Number of sanctions achieved by the Housing Benefits Fraud Team – 2006/07 to 2009/10**

Year	Formal Cautions	Administrative Penalties	Successful Prosecutions	Total Sanctions
2006/07	27	69	19	115
2007/08	52	48	25	125
2008/09	48	56	36	140
2009/10	68	80	36	182

<sup>1</sup> A sanction can be a formal criminal prosecution, a formal caution or an administrative penalty

### **Housing Benefit Matching Service**

During 2009/10 the service received 738 referrals from the Department for Work & Pensions (DWP) 'Housing Benefit Matching Service' which cross-matches and highlights discrepancies between DWP and RMBC records. On investigation of these referrals, 174 cases resulted in Housing Benefit Overpayments (totalling £102,007.61) and 218 cases resulted in Council Tax Benefit Overpayments (totalling £44,122.28). A total of 294 cases were referred to the Fraud Section.

### **Credit Reference Agency Matching**

Identifying and proving 'Living Together' fraud is both difficult and costly. Consequently, the Department for Work & Pensions has been keen to explore new methods of investigating this offence.

When investigating the Housing & Council Tax benefit element of 'Living Together' offences, local authorities normally rely on information from the general public. Matching with Credit Reference Agencies provides a new method of identifying customers who are potentially living together as husband and wife using data not previously made available to local authorities.

Rotherham MBC was one of the 10 local authorities nationally who volunteered to take part in the pilot exercise. Experian provided a bespoke data matching solution that extracted data from local authorities via the Department for Work & Pensions. This data was then compared with the local authority data. A risk assessment was then performed by Experian which highlighted cases that would be suitable for further investigation using Experian's Investigator Online service.

The pilot, which ended in September 2009, proved successful in identifying 'hard to find' fraud such as Living Together. It also reduced the time and resources required by local authorities to sanction customers, assisted in identifying cost savings and provided an estimate of potential benefit overpayments.

As a result of this success the Credit Reference cross matching exercise will be rolled out nationally with effect from the 1<sup>st</sup> April 2010.

## **NATIONAL FRAUD INITIATIVE**

### **Background**

The National Fraud Initiative (NFI), run by the Audit Commission, matches electronic data within and between public sector organisations to highlight potentially fraudulent activity. Organisations participating include police authorities, insurance brokers, the student loan authority, local probation boards, pension authorities and fire and rescue authorities, as well as local councils.

The initiative works by comparing different sets of data, like payroll and housing benefits records, and flagging unusual combinations such as any person claiming housing benefits from more than one local authority or any person claiming housing benefits while failing to disclose his/her employment <sup>\*2</sup>.

The organisations taking part receive a report on these potentially unusual matches, which they can then investigate to determine the existence of any fraud or error.

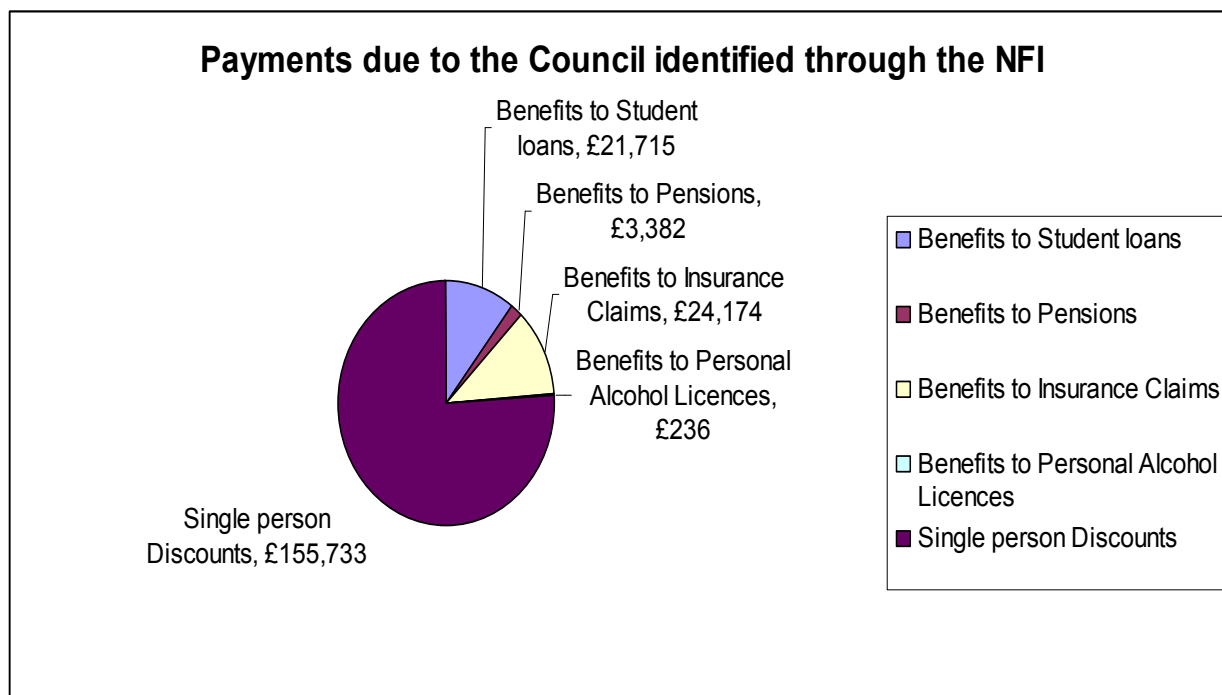
Nationally the 2008/09 exercise helped trace £215 million in fraud, error and overpayments. (NB The 2008/09 data is investigated in reported in 2009/10)

The Audit Commission is continuing to expand the range of the NFI and for 2008/9 introduced a new data set comparing Council Taxpayers claiming Single Person Discounts to the Electoral Register. (This highlights potential matches where more than one person is on the Electoral Register and any address, yet Single Person Discount is being claimed).

### RMBC results

The Council found £205,240 from the most recent matching exercise investigated in 2009/10. This was made up of false Benefits claims (£49,507) and Council Tax Single Person Discounts (£155,733). See Chart 2.

**Chart 2: Payments due to the Council identified through the NFI**



Source: Internal Audit

<sup>2</sup> The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation



The data matching provided by the Audit Commission highlights households claiming Council Tax 'single person discount' where the data matching indicates that there is more than one adult in the property. The following case study is typical.

**Case Study 2:**

A household had returned a declaration to the Council in 2007 indicating there was only one adult in the property. Single Person Discount was granted.

Data matching indicated that there was more than one adult in the property and this was accepted by the Council Tax payer when challenged. A back dated charge of £550 was levied and has now been paid in full.

**EXTERNAL ASSESSMENT**

Each year the Council's external auditor, KPMG, carries out an assessment on behalf of the Audit Commission of how the Council controls the use of its resources. This assessment includes a review of how well the Council is managing the risk of fraud and corruption. Within the last assessment available for 2009, KPMG has awarded the Council a 3 out of 4 ('Performing Well') for its arrangements.

The Council's arrangements for preventing and detecting Benefits fraud have helped the Council's Benefits Service to achieve a 4 star 'excellent' assessment by Government inspectors.

**REPORTING YOUR CONCERNS**

If you do have any concerns report your suspicions as quickly as possible together with the relevant details. You can report any concerns to the Internal Audit Service on Rotherham 382121 Ext. 23290 OR the Assistant Chief Executive (Legal Services), Ext. 23500 OR the Chief Executive, Ext. 22771.

Alternatively you may prefer to put your suspicions in writing to the Director of Internal Audit and Governance, Financial Services, Council Offices, Doncaster Gate, Doncaster Road, Rotherham, South Yorkshire, S65 1DW and mark the envelope "CONFIDENTIAL — TO BE OPENED BY THE ADDRESSEE ONLY".

The Council would prefer you not to provide information anonymously as any subsequent investigation could be compromised if we cannot contact you to help gain a full understanding of the issues. However, we will still consider anonymous information that is received.

All reported suspicions will be dealt with sensitively and confidentially.

**If you wish to report any suspicions in relation to Benefit Fraud ring for free on the Fraud Hotline 0800 028 2080**