

## **Governance Update**

### **SUMMARY**

- 1.1 This report provides an update on the developments being made within the Council's governance framework.

### **RECOMMENDATION**

- 2.1 To note the actions and the progress being made to enhance the governance framework.

### **REASONS FOR RECOMMENDATION**

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

### **SUPPORTING INFORMATION**

#### **Information Governance – Freedom of Information**

- 4.1 This update on information governance covers the period 1 June 2013 to 30 September 2013.
- 4.2 The number of Freedom of Information (FOI) requests the Council has received over the last 8 years has increased each year. Table 1 below shows the number of FOI requests received each year since FOI came into being, and the number of requests received in 2013, as at 30 September. The number of requests received in 2013 is 851. This is an average of 94 requests per month. This compares to an average of 77 per month in 2012.

Table 1: Number of FOI Requests Received by Calendar Year

Year	Number of FOI Requests Received
Jan - Dec 05	183
Jan - Dec 06	239
Jan - Dec 07	250
Jan - Dec 08	358
Jan - Dec 09	581
Jan - Dec 10	685
Jan – Dec 11	913
Jan – Dec 12	923
Jan – Sept 13	851

- 4.3 A total of 391 FOI requests have been received in the period 1 June 2013 to 30 September 2013. (297 for this period in 2012). In the same period, 371 FOI requests were completed. The total recorded officer time taken to complete these requests was approximately 621 hours. Based on the level of charges determined by regulation 4 of the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004, the calculated charge for staff costs is £15,529.

*Note: The regulation specifies that the standard hourly rate that all authorities must use to calculate the staff costs of answering requests is £25.*

The average response time per request in the period was 7.93 days. For the year to date the response time is an average of 8.26 days per request.

#### 4.4 Source of FOI Requests

The Council does not just receive FOI requests from members of the public. A large proportion comes from commercial organisations, local and national media and political pressure groups. An analysis of requests for information sorted by category of requester for the period from 1 June 2013 to 30 September 2013 is shown in Table 2. Table 3 breaks these same figures down by the Council Directorate responsible for supplying the information.

Table 2: Number of FOI Requests by category of requester

FOI Request from	June 2013	July 2013	Aug 2013	Sept 2013
Commercial	24	25	39	25
Media	7	16	12	17
Personal	58	58	49	42
Other Local Authority				3
Political	5	4	3	4
Total	94	103	103	91

Table 3: Number of FOI Requests by Lead Directorate

Directorate	June 2013	July 2013	Aug 2013	Sept 2013
Adults, Health & Housing	8	12	8	12
Chief Executive's Office	7	4	2	2
Children & Young People	15	17	14	16
Neighbourhoods	28	29	37	29
Resources	33	39	38	28
Public Health		1	2	2
Council Wide	3	1	2	2
Total	94	103	103	91

#### 4.5 FOI Appeals

To date in 2013, 8 requestors have exercised their right of appeal under the Freedom of Information Act and Environmental Information Regulations. All appeals are considered by the Head of Governance and Assurance. However, there was 1 appeal that was reviewed by the Information Governance Manager, because the Head of Governance and Assurance was involved in the original response. Following the review of each FOI appeal, 3 of the 8 appeals have been upheld. A further 2 have been upheld in part.

## **Information Governance – Data Protection**

- 4.6 For the period 1 January 2013 to 30 September 2013 there have been 20 data security breaches notified to the Information Governance Manager. The total number of data breaches notified in 2012 to the Information Governance Manager was 20. All notifications are investigated and where necessary, systems are improved.
- 4.7 In 2013, the Council has also received 5 complaints from the Information Commissioner's Office (ICO) in relation to perceived non-compliance of data protection responsibilities. The Information Governance Manager is responsible for gathering evidence on each case and responding to the ICO.

## **Insurance & Risk Management**

- 4.8 The Strategic Director of Resources is sponsoring a project to identify a sustainable delivery model for the Council's insurance services which optimises financial resources and will further improve the operational efficacy of the service. The project is currently in its infancy and is scheduled to be completed by March 2014. The outcome will be reported to this Committee.

### **Insurance Statistics:**

- 4.9 Given the clear link between insurance and risk management, it was agreed at the Committee's meeting in October 2012 that the governance Update report would provide members with insurance statistics that would present an opportunity for this Committee to scrutinise insurance data for the Council and to review the potential risk areas identified in the data.
- 4.10 Council Cabinet approved the award of the current contract for the provision of insurance services (which runs from 1 April 2013) at its meeting on 20 March 2013. The Council is required by law to maintain insurance cover for certain classes of risk i.e. motor insurance and employer's liability insurance. Other classes of risk, although not required by law, are an expectation from stakeholders. The Council would expect any companies that it does business to have appropriate insurance in place to meet identified risk. All insurance is a means of transferring the risks of having to directly meet a successful claim away from the Council.

- 4.11 The Council uses an Insurance Broker, Jardine Lloyd Thompson (JLT), for professional advice on the insurance market. Under this agreement, JLT prepared the tender documentation, evaluated the tender bids and produced a report for the Council recommending the most effective solution for the Council's insurance cover. The broker's report provided the basis for the Council's decisions on which insurance options offer the best value for money. The Council was looking at increasing its levels of self insurance, therefore, the tender exercise sought to obtain premiums for different levels of excess. In line with the Broker's recommendations the excess on motor fleet were increased from £1,000 to £25,000 and the excess on Casualty insurance from £32,086 to £50,000. This resulted in a reduction in premium for these classes of insurance of £297,000. The reduction in premiums will be transferred to the Council's Insurance Fund which stood at £50,000 on 31 March 2013.
- 4.12 The report in Appendix 2 shows the number of claims, estimated values and the payments the Council has made for the 12 month period from 1 October 2012 to 30 September 2013. The report covers the 4 main insurance policy types. The appendix shows the level of potential funding that the Council contributes to insurance claims. It also illustrates a certain level of self-insurance on certain policy types i.e. public liability and employers liability which now both have a higher excess of £50,000 (from 1/4/13).
- 4.13 A successful claim against the Council could be described as a risk that has manifested itself. It could also be down to a mistake by the Council. By reviewing historical insurance data, we can identify issues and then put in place the necessary actions to prevent the risks and mistakes from re-occurring. The analysis of insurance data can also highlight issues where inadequate departmental responses within the claims process have resulted in increased delays and costs. On a more corporate level we can use the data to identify trends in an attempt to reduce either the number, or impact, of future claims.

#### Risk Management

- 4.14 As part of the insurance contract ZM provides a fund of £20k per annum to purchase risk management advice and training from its Risk Division. Two key areas of work that the Head of Governance and Assurance is progressing with ZM are:
- Risk Register Refresher – both strategic and operational risk registers would benefit from an external challenge with a potential view of a further refresh being performed in 6-9 months.
  - Assurance Mapping – within one of the service departments, whilst delivering the risk register refresher, there is an ideal opportunity to obtain information around assurances. As a result, an assurance map can be populated.
- 4.15 It is proposed to also look at the opportunities to use the fund for some of the following:

- Development of risk management policy/processes, e.g. risk appetite
- Assessing the “Total Cost of Risk”
- General risk management training/awareness sessions and bespoke risk management awareness/training e.g. Members training/awareness sessions, Contract Risk Management, risk appetite, reputation risk, partnership risk management, effective governance, Public Health and safeguarding risk management

It is also intended that the fund will be available for risk management advice and support on an adhoc basis.

### **Anti-Money Laundering**

- 4.16 In 2013, the Council has reported 2 potential instances of money laundering to the Serious Organised Crime Agency (SOCA) under Part 7 of the Proceeds of Crime Act 2002. In both cases, SOCA has provided consent to proceed with the transaction disclosed to it.

### **National Fraud Initiative (NFI)**

- 4.17 The most recent NFI cycle began in October 2012 with data being submitted to the Audit Commission. The data was matched and the majority of the resulting reports were issued to individual authorities for checking on 29 January 2013 and other reports being issued on a piecemeal basis through the year. As in previous cycles, some reports contain “mandatory” matches where the Audit Commission require a response.
- 4.18 The reports to be checked have been distributed to the relevant services and work is on-going. These are:

Table 4: Number of matches

Service	Number of reports	Number of matches	Number of “mandatory” responses required
Housing benefit	46	2722	546
Payroll	5	103	4
Derby Homes	6	162	137
Blue badges	2	361	321
Residential care homes	1	112	32
Creditors	10	6424	592
Concessionary travel	1	1487	1487
Residents parking	1	1	1
Mixed data source reports	5	205	94
<b>TOTAL</b>	<b>77</b>	<b>11577</b>	<b>3214</b>

- 4.19 As has been the case in previous NFI exercises, there are a high number of creditors matches. This is due to many suppliers being listed twice, as they are suppliers to both the Council and schools, and many matches appear on several reports. As a result, the matches checked are done on a “sample” basis as they have proved unproductive in the past.
- 4.20 The total number of matches for the Council to investigate has reduced from 14,542 in 2010/11 to 11,577 in this cycle. Those matches designated as mandatory matches have increased from 1961 to 3214. The majority of this increase relates to the concessionary travel matches.
- 4.21 Progress has been made on clearing these reports. Depending on the nature of the match, some cases take longer to clear than others, notably Housing Benefit matches which can take several months to resolve. As at 10 October 2013, the number of cases cleared are:-

Table 5: Number of matches cleared

Service	Number of matches cleared	Number of “mandatory” responses cleared	Percentage cleared	
			total	mandatory
Housing benefit	267	177	10%	32%
Payroll	55	3	53%	75%
Derby Homes	152	137	94%	100%
Blue badges	115	115	32%	36%
Residential care homes	112	32	100%	100%
Creditors	328	328	5%	55%
Residents parking	1	1	100%	100%
Concessionary travel	1487	1487	100%	100%
Mixed data source reports	195	94	95%	100%
TOTAL	2712	2374	23%	74%

- 4.22 As at 10 October 2013, a total of £28,644.27 has been identified as overpaid in Housing Benefit. This consists of 14 cases, 9 of which have been identified as errors (valued at £17,730.01), one has been identified as fraudulent and a formal caution has been applied (valued at £1,904.65) and the remaining 4 cases have been identified as fraudulent, had the overpayment calculated (valued £9,009.61) but are awaiting the sanction being applied before the match is closed.

4.23 The Audit Commission has recently written to all authorities in England, Wales and Scotland outlining the arrangements for the next cycle of NFI matches, the Council Tax to Electoral Roll exercise. The extraction date has been delayed due to the amended publication date for the Electoral Roll, but they expect the release of matches to be much quicker, within a week of submission. The submission of the data extracts is expected between 17 February 2014 and 28 March 2014. In the past, the NFI exercises have been criticised as the data rapidly became out of date during the period between submission and release of the matches. The effectiveness of the expected reduction in turnaround times for the 2014 exercise may be reduced by the timing of the match releases, coinciding as it does, with Council Tax annual billing.



<b>OTHER OPTIONS CONSIDERED</b>
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5.1 N/A

**This report has been approved by the following officers:**

<b>Legal officer</b>	N/A
<b>Financial officer</b>	N/A
<b>Human Resources officer</b>	N/A
<b>Estates/Property officer</b>	N/A
<b>Service Director(s)</b>	N/A
<b>Other(s)</b>	Chief Officer Group

  

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Insurance statistics

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

1.1 None directly arising

**Legal**

2.1 None directly arising

**Personnel**

3.1 None directly arising

**Equalities Impact**

4.1 None directly arising

**Health and Safety**

5.1 None directly arising

**Environmental Sustainability**

6.1 None directly arising

**Property and Asset Management**

7.1 None directly arising

**Risk Management**

8.1 The effective management of risk is a core principle of good governance.

**Corporate objectives and priorities for change**

9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

## Appendix 2

### Insurance Statistics – October 2012 to September 2013

The tables below show the number of claims for the 4 main policy categories of insurance. The level of funding required from the Council depends on the level of excess in place for each category of insurance.

#### *Public Liability:*

Month	Number of Claims	Number Repudiated	Number Settled	Total Value of Claims	Insurance Company Funded	DCC Funded	Directorate Funded	Payments made
				£	£	£	£	£
Oct 12	20	6	0	73,845	0	67,595	6,250	0
Nov 12	20	4	1	82,420	0	75,120	7,300	1,450
Dec 12	16	6	0	79,170	219	73,951	5,000	0
Jan 13	54	18	0	108,490	10,000	85,620	12,870	540
Feb 13	25	4	0	79,509	0	72,068	7,441	0
Mar 13	32	8	1	119,890	17,914	91,611	10,375	245
Apr 13	23	3	0	65,254	0	57,195	8,059	0
May 13	33	3	0	175,754	50,211	113,568	11,975	0
Jun 13	20	3	0	49,469	0	43,655	5,814	0
Jul 13	16	2	0	57,787	0	52,482	5,305	0
Aug 13	10	1	0	57,264	0	53,264	4,000	0
Sep 13	9	0	0	55,906	0	51,881	4,025	0
<b>Total</b>	<b>278</b>	<b>58</b>	<b>2</b>	<b>1,004,758</b>	<b>78,344</b>	<b>838,010</b>	<b>88,414</b>	<b>2,235</b>

#### *Employers Liability:*

Month	Number of Claims	Number Repudiated	Number Settled	Total Value of Claims	Insurance Company Funded	DCC Funded	Directorate Funded	Payments made
				£	£	£	£	£
Oct 12	0	0	0	0	0	0	0	0
Nov 12	1	0	0	50,000	0	50,000	0	0
Dec 12	2	1	0	5,000	0	5,000	0	0
Jan 13	5	0	0	80,500	0	80,500	0	0
Feb 13	2	0	0	17,500	0	17,500	0	0
Mar 13	2	0	0	9,436	0	9,436	0	0
Apr 13	2	0	0	26,750	0	26,750	0	0
May 13	1	1	0	0	0	0	0	0
Jun 13	1	0	0	14,365	0	14,365	0	0
Jul 13	3	0	0	25,064	0	25,064	0	0
Aug 13	5	0	0	104,377	0	104,377	0	0
Sep 13	3	0	0	23,000	15,000	8,000	0	0
<b>Total</b>	<b>27</b>	<b>2</b>	<b>0</b>	<b>355,992</b>	<b>15,000</b>	<b>340,992</b>	<b>0</b>	<b>0</b>

Property:

Month	Number of Claims	Number Repudiated	Number Settled	Total Value of Claims	Insurance Company Funded	DCC Funded	Directorate Funded	Payments made
				£	£	£	£	£
Oct 12	6	3	3	7,312	6,712	0	600	0
Nov 12	4	0	3	3,281	2,481	0	800	3,041
Dec 12	5	1	2	3,361	2,561	0	800	1,111
Jan 13	3	0	3	6,782	6,182	0	600	6,782
Feb 13	4	1	0	6,500	6,000	0	500	0
Mar 13	2	0	1	9,980	9,580	0	400	4,980
Apr 13	2	0	1	5,075	4,875	0	200	75
May 13	5	2	0	3,200	2,600	0	600	0
Jun 13	1	0	0	200	0	0	200	0
Jul 13	2	0	0	3,700	3,400	0	300	0
Aug 13	3	0	0	7,560	6,260	0	1,300	0
Sep 13	5	0	0	16,885	15,335	0	1,550	0
<b>Total</b>	<b>42</b>	<b>7</b>	<b>13</b>	<b>73,836</b>	<b>65,986</b>	<b>0</b>	<b>7,850</b>	<b>15,989</b>

Motor:

Month	Number of Claims	Number Repudiated	Number Settled	Total Value of Claims	Insurance Company Funded	DCC Funded	Directorate Funded	Payments made
				£	£	£	£	£
Oct 12	9	2	4	11,232	10,182	0	1,050	9,682
Nov 12	5	1	3	793	793	0	0	293
Dec 12	9	2	5	7,745	6,495	0	1,250	0
Jan 13	13	2	7	7,044	5,744	0	1,300	0
Feb 13	10	1	2	7,942	6,342	0	1,600	3,510
Mar 13	13	4	5	4,257	4,257	0	0	0
Apr 13	7	2	1	35,110	33,860	0	1,250	4,278
May 13	5	0	0	7,110	3,610	1,500	2,000	0
Jun 13	4	1	1	840	840	0	0	140
Jul 13	6	0	2	1,885	1,885	0	0	185
Aug 13	8	0	0	7,600	5,150	200	2,250	0
Sep 13	5	0	1	8,520	5,820	200	2,500	70
<b>Total</b>	<b>94</b>	<b>15</b>	<b>31</b>	<b>100,078</b>	<b>84,978</b>	<b>1,900</b>	<b>13,200</b>	<b>18,158</b>