

## Gravesham Borough Council *Delivering for the Community*

*Performance Report - Performance and Administration: Quarter One 2016/17*



### 04 Sound & Self-sufficient Council

*"a well-run and innovative council supporting its staff to realise commercial opportunities whilst transforming its services to deliver at the best possible value for money"*

#### Policy Commitment





#### 1. Underpin all council activity with sound governance and internal control measures minimising the opportunities for fraud and corruption.

- The new Audit & Counter Fraud Shared service for Gravesham and Medway Council went live on 1 March 2016, so the first quarter of the new financial year has seen significant changes to working practices, performance management arrangements and reporting formats. The team continue to respond with positivity and enthusiasm, with early indications that performance and outputs at this point in the year are on par with previous years despite the significant changes staff have experienced, and the reduction in FTE and cost of the service to the councils.
- In June 2016 the Audit & Counter Fraud Team presented the Annual Internal Audit Report 2015-16 to the Finance & Audit Committee. This gave the opinion of the Head of Audit & Counter Fraud (the council's Chief Audit Executive) that, based on the work of the team during the year: Gravesham Borough Council's system of internal control adequately contributes to the proper, economic, efficient and effective use of resources in achieving the council's objectives. The team also presented the Annual Fraud Report to the same meeting of the Finance & Audit Committee, summarising the results of the investigation activity during the year. Future reporting will incorporate both Audit & Counter Fraud work.
- Following the annual governance review completed by the council's Assurance Group, the Annual Governance Statement for 2015-16 was presented to the Finance & Audit Committee in June 2016. This concluded that the council's governance arrangements are: considered fit for purpose and in accordance with the council's governance framework, with no significant areas requiring attention.
- Work is underway by the Audit & Counter Fraud Team to deliver the planned work for Gravesham for 2016-17 and progress against the plan to the end of Q1 is on par with previous years; while the percentage of planned work complete is low, a significant amount of the plan is currently underway and it is anticipated that the full plan as agreed will be delivered by the end of the year. The plan will be continuously reviewed to ensure it reflects the highest risk areas of the council's operations to ensure the team's resources are put to maximum use.
- The Audit & Counter Fraud Team have agreed a revised recommendation follow up process with Management Team and this is now in operation. The new process is more risk based and will result in the team's follow up resources being focussed on verifying (through audit testing) the implementation of high priority/risk recommendations while more reliance will be placed on management to demonstrate confirm they have implemented lower priority/risk recommendations.
- The Audit & Counter Fraud Team have continued to support the implementation of the Kent Intelligence Network; a data matching exercise lead by Kent County Council on behalf of all Kent local authorities to detect possible instances of fraud through sharing of data sets. The final version of the legal agreement between the KIN and the local authorities was received in Q1 and is on schedule to be adopted imminently, with data matching commencing in Q2.
- On 1 March 2016, responsibility for investigating Housing Benefit fraud transferred from local authorities to the Department for Work & Pensions Fraud & Error Service. The Audit & Counter Fraud Team is responsible for responding to requests for information on council systems to the DWP and to other investigating bodies including the police, NHS and other local authorities (under exemptions in the Data Protection Act). During Q1 the team experienced a significantly higher volume of such requests from the DWP than either body anticipated in the preparations for the transfer, due to the DWP clearing a backlog of referrals. The Audit & Counter Fraud Team (and the Assistant in particular who is primarily responsible for this work) have received formal complements for the quality and speed of the responses being provided.

#### Actions for Improvement

N/A

## Performance Indicator

PI 41 <i>Percentage of internal audit recommendations implemented</i>								
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	50.00%	79.00%	89.00%	93.00%	81.00%			
<b>Direction of Travel</b>	N/A							

**Policy Commitment**

**2. Quality frontline services delivered on time and to the right people.**

**Revenues and Benefits update**

New Claims and Change of Circumstances

The processing time for new claims is 19.4 days, below the set target of 20 days.

The processing time for change of circumstances is 2.6 days, below the set target of 6 days.

Based on previous years information these outturns represent a significant improvement to what usually happens in the first quarter of the year, and in particular Q1 in 2015/16.

The team has overseen a slight increase in caseload, alongside an increase in the actual workload (volume of administration) within the section, and therefore it is considered that the performance for Q1 is is very good in the circumstances.

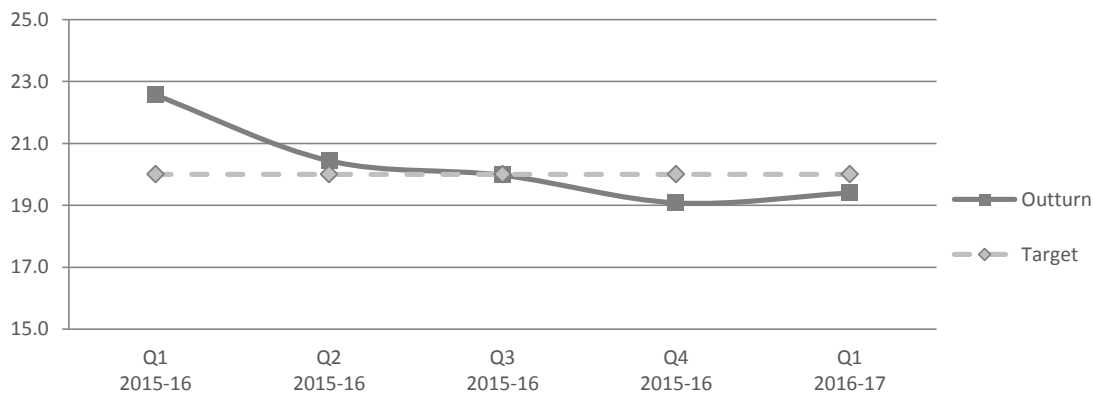
**Actions for Improvement**

**Revenues and Benefits update**

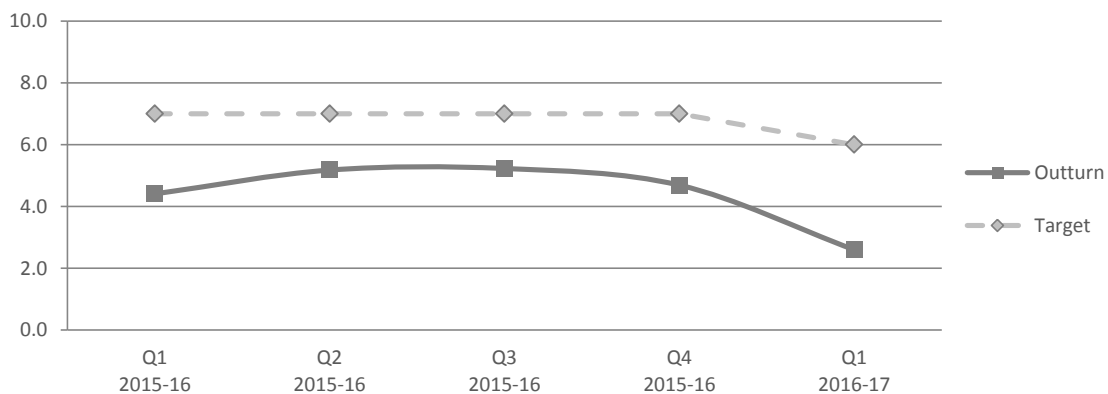
N/A

## Performance Measures

(NB: Cumulative Outturn)								
<b>PM 11</b>	<i>Average time taken to process Housing Benefit / Council Tax new claims (days)</i>							
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	22.6	20.4	20.0	19.1	19.4			
<b>Target</b>	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
<b>Target Met</b>	✗	✗	✓	✓	✓			
<b>Exception Notes</b>								



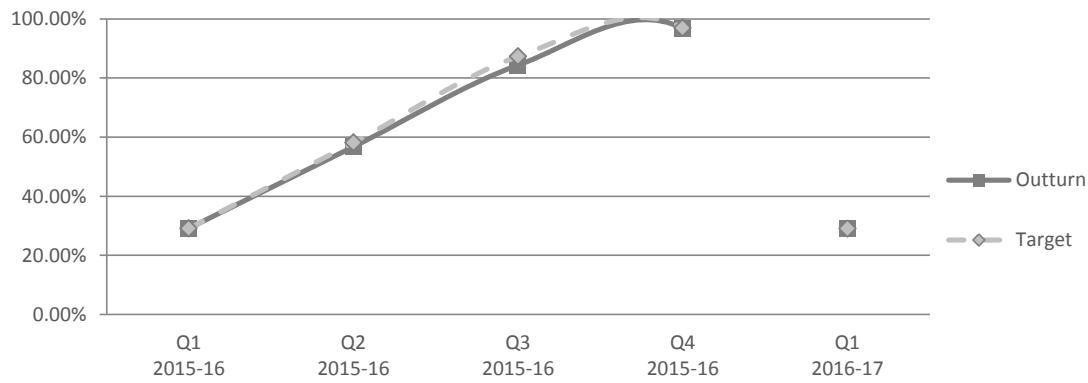
(NB: Cumulative Outturn)								
<b>PM 12</b>	<i>Average time taken to process Housing Benefit / Council Tax change of circumstances (days)</i>							
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	4.4	5.2	5.2	4.7	2.6			
<b>Target</b>	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0
<b>Target Met</b>	✓	✓	✓	✓	✓			
<b>Exception Notes</b>								



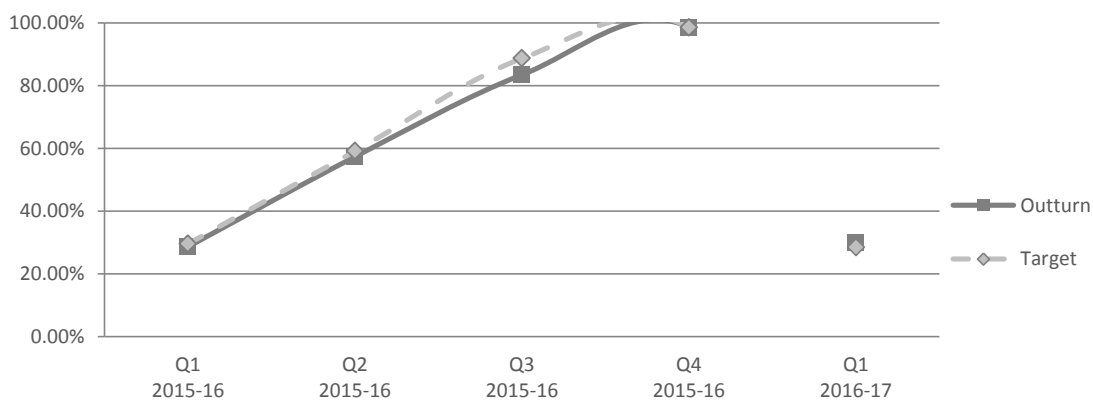
Policy Commitment
<p><b>3. Work to maximise income collection through the robust management and recovery of debts owed to the council.</b></p> <p>During the first quarter of 2016/17, the council's Management Team has received comprehensive updates from council services regarding the levels of outstanding debt across the authority. This has resulted in the re-establishment and refocus of the Corporate Debt Working Group. The first meeting of the group will be held in July 2016 with focus on delivering a detailed action plan intended to address the overall debt levels across the council and look at corporate debt solutions. Updates against this action plan will be presented to Management Team on a regular basis.</p> <p><b>Council Tax</b> The collection rate of 29.12% is slightly below what we achieved in the first quarter of 2015/16 of 29.16% however it is above our quarterly target of 29.10% and it usually fluctuates from month to month on a yearly basis.</p> <p><b>Business Rates</b> The collection rate of 30.07% is slightly above what we achieved in the first quarter of 2015/16 of 28.63% and it is above our quarterly target of 28.50% and, as with Council Tax, it usually fluctuates from month to month on a yearly basis</p> <p><b>HB Overpayments</b> Total amount of housing benefit overpayments raised was £449,402, compared with £387,743 raised in the first quarter of 2015/16.  Total amount of housing benefit overpayments recovered is £311,388, which compares with £271,947 raised in the first quarter of 2015/16.</p>
<p><b>Actions for Improvement</b></p> <p>N/A</p>

## Performance Measures





PM 9	Percentage of council tax collected				(NB: Cumulative Outturn)			
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	29.16%	56.78%	84.40%	96.86%	29.12%			
<b>Target</b>	29.10%	58.20%	87.30%	97.00%	29.10%	56.70%	84.30%	97.00%
<b>Target Met</b>	✓	✗	✗	✗	✓			
<b>Exception Notes</b>								







PM 10	Percentage of NNDR collected				(NB: Cumulative Outturn)			
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	28.63%	57.32%	83.43%	98.51%	30.07%			
<b>Target</b>	29.55%	59.10%	88.65%	98.50%	28.50%	57.20%	83.30%	98.50%
<b>Target Met</b>	✗	✗	✗	✓	✓			
<b>Exception Notes</b>								



## Performance Indicators





PI 42 <i>Total amount of housing benefit overpayments raised</i>								
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	387,743	1,006,130	470,107	675,375	449,402			
<b>Direction of Travel</b>	N/A							

PI 43 <i>Total amount of housing benefit overpayments recovered</i>								
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	271,947	302,594	304,403	298,316	311,388			
<b>Direction of Travel</b>	N/A							

Policy Commitment
<p><b>4. Implement genuine channel shift through an enhanced IT infrastructure, enabling customers to access key services online, anytime, anywhere.</b></p> <p><b>IT Service update</b></p> <p>IT Services have been assisting the Digital Team with the technical aspects of the website redesign and the back office mechanics of the Firmstep customer contact software whilst also delivering further improvements to the overall IT Infrastructure. These have included;</p> <ul style="list-style-type: none"> <li>* Implementation of a new Income Cash Management system to replace the legacy Bank Reconciliation system.</li> <li>* Upgrade of the Parking Enforcement System</li> <li>* Evaluating a new card payment system which will bring greater flexibility for people wishing to pay the Council by introducing new channels such as Paypal, Apple Pay and Android Pay, enable payment reminders to be sent by text message, introduce recurring card payments, and provide payment "tablets" that can be used as kiosks in reception.</li> <li>* Upgrade of the print management system and replacement of all Multi-Function Devices (copiers/printers/scanners) in the Council.</li> </ul> <p>In addition to this, IT Services have made ongoing improvements to the security and protection of data within the infrastructure. This includes;</p> <ul style="list-style-type: none"> <li>* Continued progress with the migration of legacy servers to new platforms.</li> <li>* Installation of a new security log management appliance.</li> <li>* Installation of a new data backup system which will lead to better recovery for "business continuity" once replication is achieved to the Medway Data Centre (which is part two of the project).</li> <li>* Continued migration of data to a hybrid cloud storage device and service.</li> </ul> <p>Finally, IT Services have been working with outside organisations and partners on;</p> <ul style="list-style-type: none"> <li>* Setting up shared infrastrucutre with Medway Council for the Shared Audit and Counter Fraud Service.</li> <li>* Providing historic planning data from the Uniform system to the Ebbsfleet Urban Development Corporation.</li> </ul>
<p><b>Actions for Improvement</b></p> <p><b>IT Service update</b></p> <p>N/A</p>



## Performance Indicators

PI 48 <i>Percentage of council tax accounts signed up for e-billing</i>								
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	0.8%	0.9%	0.7%	1.1%	7.3%			
<b>Direction of Travel</b>	N/A							

**Policy Commitment****5. Deliver on opportunities for the sharing and selling of council services.**

One of the key drivers for the creation of the Internal Audit and Fraud partnership with Medway Council was to deliver savings, particularly in light of the challenging financial position and the transfer of responsibility for Housing Benefit Fraud investigation work to the Department for Work and Pensions (DWP). This transfer of responsibility for Housing Benefit Fraud investigation work was originally planned to result in a reduction in Administration Grant from the DWP of £58,000 - with this therefore forming the minimum level of savings required from the partnership arrangement.

As reported to the F&A committee report on 16 June 2016; "The Shared Service and restructure has realised a saving of £66,320 in relation to historical budgeted levels, which mitigates the loss of Benefit Administration Grant that had previously been received for the provision of the Housing Benefit Fraud investigation service."





Following the success of the Internal Audit and Fraud shared service, the Cabinet agreed, at its meeting in June 2016, to the exploration of a potential shared service for the delivery of Legal Services with Medway Council. Work has been ongoing in reviewing this potential shared service and a report will be presented to Cabinet in due course with an update against this work stream.

In addition, work has also been ongoing to progress the delivery of a shared service for the Revenues and Benefits service with Tonbridge & Malling Borough Council. Given that this is such a significant frontline service for both authorities, consideration is being given to ensure that the customer's needs will continue to be met, whilst achieving efficiency savings for both authorities. Discussions are ongoing and an update report will be brought back to the Cabinet in due course.

**Actions for Improvement**

Reports on both the implementation of a shared service for legal Services and an update report on the progression of a Revenues and Benefits shared service will be presented to Cabinet in due course.

## Performance Indicators

PI 45 <i>Percentage of posts involved in shared services arrangements</i>								
	Q1 2015-16	Q2 2015-16	Q3 2015-16	Q4 2015-16	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17
<b>Outturn</b>	3%	3%	4%	4%	4%			
<b>Direction of Travel</b>	N/A							

**Policy Commitment**

**6. Continuously review and adapt how we deliver our services to achieve financial efficiencies and improved performance.**

The Service review process has continued and the report on the Direct Services Operation (DSO) at Brookvale depot is in the process of being finalised.

A report on the process for the discussion and selection of options coming out of the service review process will be presented to Cabinet on 05 September and Overview Scrutiny Committee on 15 September 2016.

**Actions for Improvement**

N/A

**Policy Commitment**

**Any other areas of work (relevant to the strategic objective)**