



## 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.

Good progress has been made in relation to the 2017-18 plan with all Q1 and Q2 audits having commenced and all but one having reached at least the quality control stage of the audit process. The first update report for this year's activity was also presented to the Finance & Audit Committee in September and showed good progress against all targets but it was noted that resources have been impacted significantly by long term sickness.

Investigation activity during the quarter has produced the following results;

- £551 of additional council tax owed due to the removal of discounts or exemptions, plus an additional £356 in future years where discounts no longer apply.

The Kent Intelligence Network is currently reviewing its plans for future data matching following the expiry of the software contract. Data matching with the Charity Commission to identify potential NNDR accounts where charitable relief was being claimed but those involved had no connection to a charity or where the liable organisation no longer had a charitable status, proved to be unsuccessful due to issues with the quality of the original data. This will potentially be revisited in the future with improvements to the data used.

In accordance with the Public Sector Internal Audit Standards, a follow-up process is in place to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. As of 30 September 2017, 16 of the 48 recommendations due in the 2017-18 financial year to date were outstanding; outstanding recommendations relate to:







- Enhancements to the processes for monitoring planning conditions and obligations,
- Amendments to HR, Treasury Management, Taxi Licensing, Asset Management and Council Tax policies and procedure notes,
- A review of the counter signatory arrangements in place for treasury activities,
- Enhancements to NNDR relief applications for better fraud prevention,
- Updates to the Constitution in relation to approval arrangements for the acquisition of investment, non-investment and housing assets and the writing-off of small balances,
- A review of the council's business continuity arrangements in respect of IT,
- Formalisation of an asset management strategy,
- A review of the fraud prevention information contained within the employee Code of Conduct,
- Completion of budget monitoring training for budget holders, and,
- A review of procedures for securing items donated to the Mayor's charity.

Progress made towards implementing outstanding recommendations, including the reasons for non-implementation, are monitored on a quarterly basis by the council's Management Team. Details of all recommendations agreed, implemented and outstanding are provided to the council's Finance & Audit Committee as part of the quarterly and annual A&CF update reports.

### Actions for Improvement

# Performance Indicator

**PI 41** *Percentage of internal audit recommendations implemented*

	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
<b>Outturn</b>	80.7%	94.3%	92.9%	87.2%	64.3%	66.7%		
<b>Direction of Travel</b>								

**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 20.7 days which is currently under the target of 18 days. Whilst the processing time for new claims is 2.7 days below the new target, resources have been stretched due to sickness and holidays. In order to address this, the team has secured Management Team permission to bring in agency staff and as in previous years we will be looking to improve this outturn and reach our target as soon as possible.

The processing time for change of circumstances is 4.5 days which is currently better than the target of 5 days.

**Actions for Improvement**

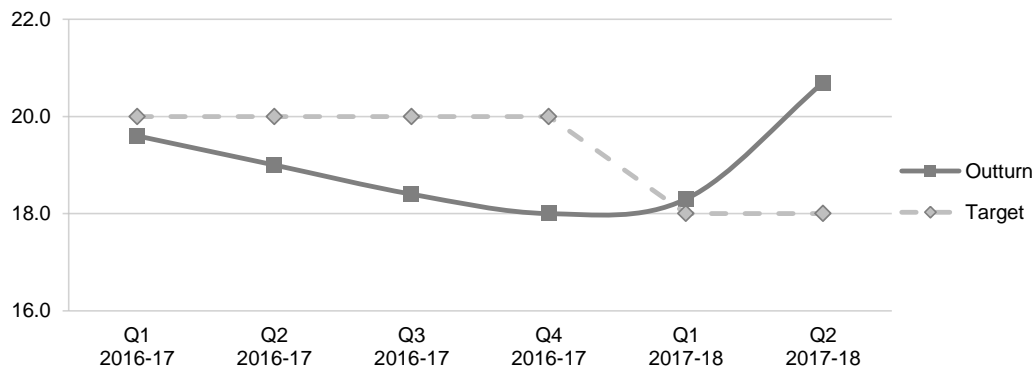
**Revenues and Benefits update**

# Performance Measures

(NB: Cumulative Outturn)

**PM 11** Average time taken to process Housing Benefit / Council Tax new claims (days)

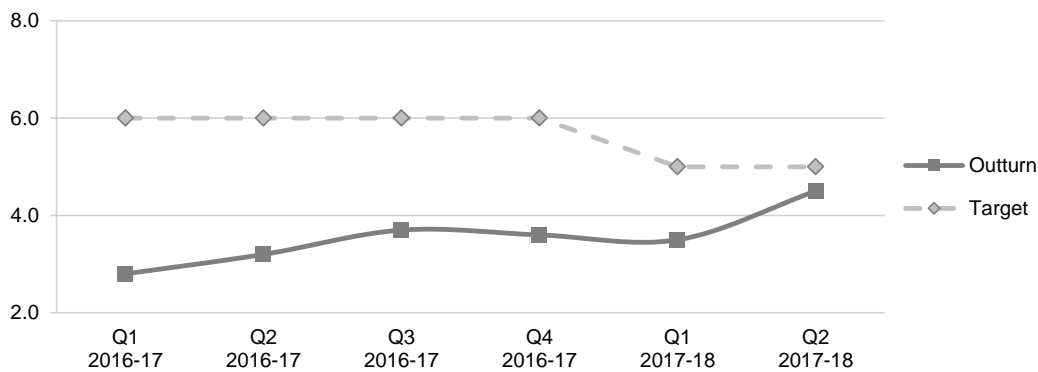
	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
<b>Outturn</b>	19.6	19.0	18.4	18.0	18.3	20.7		
<b>Target</b>	20.0	20.0	20.0	20.0	18.0	18.0		
<b>Target Met</b>	✓	✓	✓	✓	✗	✗		
<b>Exception Notes</b>	The outturn for Q2 is 2.7 days below the stretching target of 18 days put in place for 2017/18, albeit 1.3 days ahead of the equivalent Kent average (as at Q1 2017/18). In Q2 resources were stretched primarily due to staff sickness and the summer holiday season. As in previous years we will be looking to improve and reach our target over the course of the second half of the year.							



(NB: Cumulative Outturn)

**PM 12** Average time taken to process Housing Benefit / Council Tax change of circumstances (days)

	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
<b>Outturn</b>	2.8	3.2	3.7	3.6	3.5	4.5		
<b>Target</b>	6.0	6.0	6.0	6.0	5.0	5.0		
<b>Target Met</b>	✓	✓	✓	✓	✓	✓		
<b>Exception Notes</b>								



**Policy Commitment**

**3. Work to maximise income collection through the robust management and recovery of debts owed to the council.**

The council's Management Team continues to receive monthly updates from council services regarding the levels of outstanding debt across the authority. The Corporate Debt Working Group met in July and has committed to review the current workstreams of the group to ensure that focus continues to be placed on activity to maximise collection of payments.

**Council Tax** The collection rate of 57% is above our quarterly target of 56.5% which is very encouraging given that we reduced the amount of Council Tax Support that our residents are entitled to this year however the collection rate usually fluctuates from month to month on a yearly basis.

**Business Rates** At 57.1%, the cumulative collection rate for NNDR at the end of Q2 was only 0.2% below the stretching target of 57.3%. Broadly in line with equivalent outturns over the last couple of years, the team will continue in its efforts to work towards matching the year-end outturn of 2016/17, a record level of performance for the authority.

**HB Overpayments**

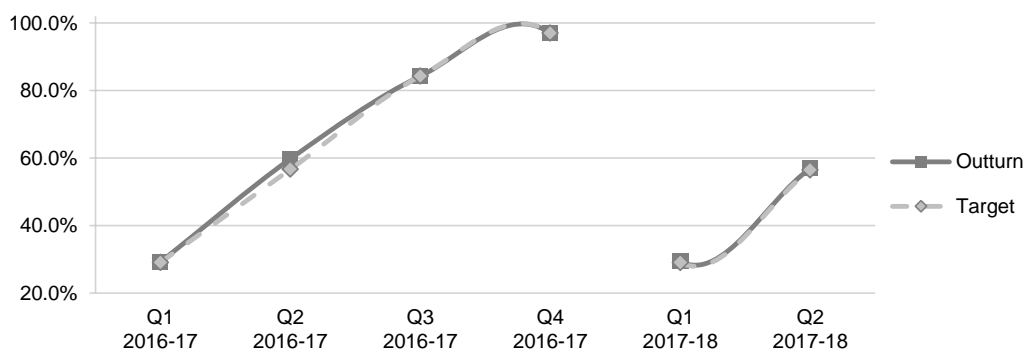
Total amount of housing benefit overpayments raised is £536,595 which is higher than the first quarter in 2017/18 of £288,263. This is due to increased volumes of Real Time Information (RTI) data received from HMRC, more Fraud overpayments identified and just generally more correspondence received generating more overpayments.

Total amount of housing benefit overpayments recovered is £325,135 which is slightly below what we recovered in the first quarter in 2017/18 of £337,593. This slight reduction in what we have recovered is due to a reduced level of administrative resource within the team following the resignation of an officer. This is currently being addressed.

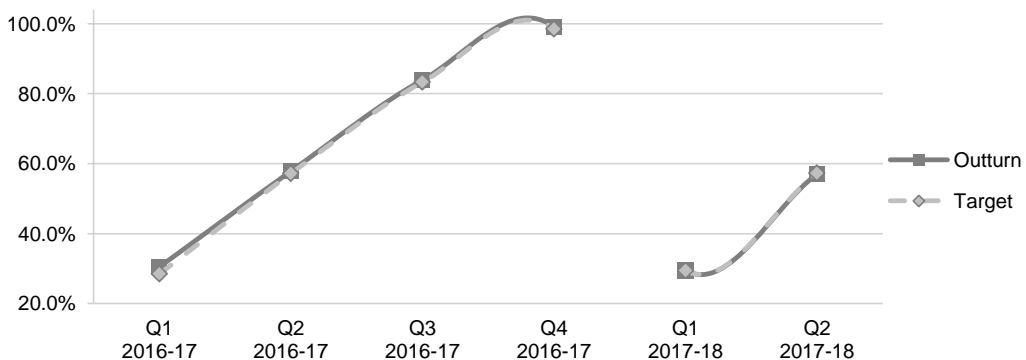
**Actions for Improvement**

## Performance Measures







<b>PM 9</b>	<i>Percentage of council tax collected</i>				<b>(NB: Cumulative Outturn)</b>			
	<b>Q1 2016-17</b>	<b>Q2 2016-17</b>	<b>Q3 2016-17</b>	<b>Q4 2016-17</b>	<b>Q1 2017-18</b>	<b>Q2 2017-18</b>	<b>Q3 2017-18</b>	<b>Q4 2017-18</b>
<b>Outturn</b>	29.2%	59.8%	84.3%	97.0%	29.4%	57.0%		
<b>Target</b>	29.1%	56.7%	84.3%	97.0%	29.1%	56.5%		
<b>Target Met</b>	✓	✓	✓	✓	✓	✓		
<b>Exception Notes</b>								









<b>PM 10</b>	<i>Percentage of NNDR collected</i>				<b>(NB: Cumulative Outturn)</b>			
	<b>Q1 2016-17</b>	<b>Q2 2016-17</b>	<b>Q3 2016-17</b>	<b>Q4 2016-17</b>	<b>Q1 2017-18</b>	<b>Q2 2017-18</b>	<b>Q3 2017-18</b>	<b>Q4 2017-18</b>
<b>Outturn</b>	30.5%	57.9%	83.9%	99.1%	29.5%	57.1%		
<b>Target</b>	28.5%	57.2%	83.3%	98.5%	29.5%	57.3%		
<b>Target Met</b>	✓	✓	✓	✓	✓	✗		
<b>Exception Notes</b>	At 57.1%, the cumulative collection rate for NNDR at the end of Q2 was only 0.2% below the stretching target of 57.3%. Broadly in line with equivalent outturns over the last couple of years, the team will continue in its efforts to work towards matching the year-end outturn of 2016/17, a record level of performance for the authority.							



## Performance Indicators

PI 42 Total amount of housing benefit overpayments raised								
	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
Outturn	£449,402	£474,714	£515,459	£449,172	£288,263	£536,595		
Direction of Travel								

PI 43 Total amount of housing benefit overpayments recovered								
	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
Outturn	£311,388	£353,817	£355,314	£331,844	£337,593	£325,135		
Direction of Travel								

## Policy Commitment

### 4. Deliver on opportunities for the sharing and selling of council services.

The implementation of the shared service for Revenues & Benefits is continuing, with the proposed implementation date of 1 July 2018. Following the decision regarding the location of the services, work has been underway at both Tonbridge & Malling Borough Council and Gravesham borough Council in terms of IT infrastructure required and the physical location of the team and hub.

Staff within the Revenues & Benefits Service at both authorities have been kept up-to-date with progress in the development of the shared service. The officers relating to specific functions within the service (such as HB Overpayments, Recovery, HB Appeals etc.) will shortly be starting a process mapping exercise in order to review the way in which the function is delivered at both sites, with view to streamlining/updating these processes across both sites ahead of the shared service going live. This will give staff the opportunity to shape how their individual functions will be delivered through the shared service but also have the process embedded prior to the shared service going live.

Cabinet received a report in September 2017 about the potential implementation of a shared service for the HR Service, which is seen as a natural progression to the Payroll Service which was formally shared from 1 April 2017. It was felt that a shared HR service would not only result in some small financial savings but more importantly would:

- Add resilience across the two authorities. There would be a larger pool of officers covering both authorities providing additional resilience to cover sickness absence/vacancies or increased workload should this be required.
- Increase the availability of specialist skills across both authorities leading to increased efficiency.
- Enable the sharing of best practice in the delivery of HR Services.
- Allow the potential expansion of knowledge base of individual officers through greater training and learning opportunities.







On this basis the Cabinet approved the progression of a shared HR Service with Medway Council with a target implementation date of 1 April 2018. An officer project group has been established to progress this shared service accordingly.

Discussions are continuing with regards to a potential shared service for the delivery of Environmental Health with Medway Council and Tonbridge & Malling Borough Council. A meeting of the senior Managers from the three authorities is scheduled for the end of October in order to discuss the potential development of this arrangement further.

## Actions for Improvement



## Performance Indicators

PI 45 % of posts involved in shared services arrangements								
	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
Outturn	4%	4%	4%	4%	6%	6%		
Direction of Travel								

**Policy Commitment**

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

Following completion of the service review process, an update report will be presented to Cabinet in January 2018 to provide an update on the progress that is being made in achieving the savings targets set.

**Actions for Improvement**