

BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

25 OCTOBER 2018

ATTENDANCE OF THE PORTFOLIO HOLDER FOR BUSINESS MANAGEMENT

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Summary

This report provides an overview of activities and progress made on work areas within the Business Management Portfolio, which fall within the remit of this Committee. This information is provided in relation to the Portfolio Holder for Business Management being held to account.

1. Background

1.1 The areas within the terms of reference of this Overview and Scrutiny Committee and covered by the Portfolio Holder for Business Management are:

- *Customer Contact;*
- *Democracy and Governance;*
- *Audit and Counter Fraud;*
- *Revenue and Benefits;*
- *Income Generation;*
- *Risk Management;*
- *Business Management; and*
- *Commissioning.*

2. Customer Contact

- 2.1 Customer Contact places initial customer contact management under dedicated leadership, professionalising customer service and allowing service specialists to focus on direct service delivery. At the time of writing, the Council's transformation programme has driven organisational change and the service has merged, from 2 October 2018, with the Business Administration Support Service (BASS) to provide a new 'Customer and Business Support' service (CABS).
- 2.2 It additionally provides interpreting and translation services in over 60 languages for the council and others through the Community Interpreting Service (CIS). Supported by Macmillan Cancer Care, Customer Contact also provides welfare benefits advice for customers, their families and carers, in the ME1-ME8 (and some ME9) areas who are living with or beyond cancer, who need advice concerning benefits entitlement, helping to reduce their financial worries. The service has been extended to offer support to patients seen at the Kent Oncology Centre, Maidstone, regardless of their place of residence.
- 2.3 The service has been open to and has valued independent external scrutiny. Its management and operational procedures have been accredited against the international quality standard ISO 9001 by the British Standards Institute and it holds the Customer Service Excellence Award, the Cabinet Office sponsored scheme recognising excellence in customer service.
- 2.4 The contact centre is the first point of contact for advice and information for most council services including; Revenues and Benefits, Social Care, Planning, Housing Solutions, Environmental, Waste & Highways enquiries, Pupil Services (School Admissions, Free School Meals and School Transport), Libraries and Medway Adult Education, handling c60, 000 enquiries and service requests each month.
- 2.5 Customer satisfaction has generally performed well against the local authority satisfaction benchmark and achieved around 80% satisfaction overall. The level of complaints relative to the range and volume of enquiries handled is very low. Only 35 complaints were received during the period April – September 2018, with 29 of these being upheld or partially upheld. The quality of information provided or procedure failure are themes of complaint, with each incident being addressed as a training need with the officer concerned where appropriate, or through procedural review.
- 2.6 Customer Contact is also responsible for providing face to face housing benefit and housing solutions help and advice from Kingsley House in Gillingham. This facility sees c300 housing customers and c450 revenues and benefits customers by appointment each month, with an additional c250 drop-in customers also being helped.
- 2.7 In expectation of the transformation programme delivering greater customer self-service and an increase in transactions being completed on line, Customer Contact is anticipating a decline in traffic through

traditional channels. This has been a driver for the merging of Customer Contact with BASS into a single entity. The new Customer and Business Support (CABS) service will continue to provide first point of contact telephony as well as administrative support for council services, with a proportion of officers becoming dual-skilled. The restructure has also seen the management of face to face initial contact interactions in the community hubs transfer to Medway Libraries Service (MLS).

2.8 Welfare Benefits Service

- 2.8.1 Self-referrals from clients diagnosed with or affected by cancer are accepted under an agreement with Macmillan Cancer Care and for 2017/18 it has secured an assumed annual benefit gain for clients in excess of £3m and one off awards totalling £800,000.

2.9 Community Interpreting Service

- 2.9.1 The Community Interpreting Service (CIS) has been part of Medway Council since it was formed in 1998, providing consistently high standard interpreting and translation services to the public sector and legal profession. It services c650 appointments per month from a pool of 168 interpreters and translators. It has a wide client base including NHS Medway and West Kent Clinical Commissioning Groups, Kent Community Health NHS Foundation Trust, Sussex Partnership Trust (Mental Health), the Probation Service and other local authorities, schools, solicitors and voluntary organisations.

3. Democracy and Governance

3.1 Electoral Services

a) Electoral registration

- 3.1.1 The annual canvass started in July and the response rate to date is 75.96%, [as at 28 Sept] a 1% increase on the same time last year. Householders are able to respond by text message (SMS), via a 24/7 automated telephone line or a secure web page online as well as returning the paper form.
- 3.1.2 We have seen a dramatic increase in the numbers of people using the automated response methods – accounting for nearly 54% of all responses as at 28 September compared with 49.36% at the same time last year. It is thought that the extensive social media campaign aimed at increasing the registration rate overall as well as the use of automated responses has been responsible for this increase.
- 3.1.3 Personal canvassers started visits to non-responding properties from 6 September which is a couple of weeks earlier than usual. This gives them longer to make the minimum of three visits at different times of the day, evening, and weekends to maximise the chances of finding a householder in occupation. The earlier start to this phase also maximises the lighter evenings and better weather.

b) Local and Parish elections 2 May 2019

- 3.1.4 Officers have started to review the learning log from previous elections and producing the project plan, risk register and key decisions for the Returning Officer.
- 3.1.5 Officers have also visited all 100 existing polling stations to undertake accessibility audits and drafted proposals for some changes to take account of buildings that will not be available or are not suitable. These will be considered by the Informal Working Group on Polling Places and Polling Districts whose recommendations will be submitted to Full Council in January 2019.

3.2 Member and Mayoral Services

- 3.2.1 The team continues to contribute to the successful delivery of a member development programme in conjunction with the Member Development Advisory Group. Some very interesting and stimulating sessions have been held on subjects relevant to busy Councillors, like the revised Code of Conduct, Treasury Management and Data Protection, as well as informative briefings on subjects such as Welfare Reform, the Transformation Programme and the Lower Thames Crossing .
- 3.2.2 Work is underway on the planning, scope and delivery of the Induction programme for Members after the Local elections in 2019.
- 3.2.3 The team have planned and successfully completed arrangements for key annual Mayoral and civic events including the Dedication Service, Admiralty Court and the Admirals Cruise, French Memorial Service and Remembrance Services and luncheon for the outgoing and incoming High Sheriff of Kent as well as a range of events to raise funds for the Mayors charities. The Mayor has also raised the profile of Medway by hosting civic visits to highlight the attractions in Rochester, the Copper Rivet distillery and the Royal Engineers Museum.
- 3.2.4 The team successfully co-ordinated the arrangements for the visit in June of the Mayor of the City of Yokosuka in Japan to celebrate 20th anniversary of the signing of the Sister City partnership and to re-commit to that partnership and business links.
- 3.2.5 The team were also responsible for the successful co-ordination of the arrangements for the formal decision by Full Council to award Freedom to the Princess of Wales's Royal Regiment as well as the Parade and ceremony to exchange the scroll on 1 July.
- 3.2.6 In the period from the start of this Mayoral year to the end of September 2018 the team have successfully planned and supported 153 Mayoral diary engagements.

3.3 Democratic Services

- 3.3.1 The Democratic Services Team supports a wide range of meetings including full Council, Cabinet, Overview and Scrutiny Committees, Task Groups set up to conduct in-depth scrutiny reviews, other Committees established by the Council including the Audit Committee, Planning Committee, Licensing and Safety Committee and the Health and Wellbeing Board, School Admission Appeals and Exclusion Reviews.
- 3.3.2 The team also leads on the management of public engagement in formal meetings, maintenance of, and revisions to, the Council's Constitution, administration of representation on outside bodies and the Council's electronic Committee Management System (modern.gov).
- 3.3.3 Significant achievements by the Service in 2018/19 have included:
- The [Task Group](#) on Employment Opportunities for 18 to 25 years olds concluded its work during 2017/18 and the Task Group on Social Isolation will report its findings to the Health and Adult Social Care Overview and Scrutiny Committee on 13 December with recommendations going forward to the Cabinet early in the New Year.
 - Continued support for Councillors who are keen to embrace electronic access to papers for meetings. Around 29 Councillors (over 50%) and most senior officers are now registered to access papers electronically via the mod.gov app, (although some are still receiving hard copies of papers for meetings). A "soft" targeted approach will continue to encourage Members individually to move towards paperless working. The lead Members (Councillors Tranter and Potter) are keen to look forward to Member Induction after the local elections in 2019 with a view to encouraging paperless working by all new Councillors.
 - Democratic Services took the lead on development of new procedures relating to disciplinary action against and dismissal of the Council's Head Paid Service, Monitoring Officer and Chief Finance Officer which included facilitating discussion across Kent Local Authorities to agree a standard approach consistent with the legislation. A [report](#) on this was produced and agreed by full Council on 11 October 2018. Medway now has clear procedures in place.
 - An internal audit of Maintenance of the Constitution resulted in an audit opinion of "strong" which demonstrates that the Democratic Services Team has appropriate controls in place and are working effectively with minimal exposure to risk.
 - The first [meeting](#) of the Kent and Medway Joint HWB took place on 28 June involving the Leaders of both KCC and Medway, the Police and Crime Commissioner and a range of other senior figures from the Kent and Medway health and social care systems including the Chief Executive of the Kent and Medway STP. The development of the new Joint Board as an Advisory Sub Committee took place over several months. Medway's Democratic Services Team is supporting the Joint Board for its first year and has been responsible for drafting and securing formal agreement to the

underpinning constitutional documents in consultation with KCC colleagues, establishing the membership, the working arrangements for agenda planning and report clearances, development of a work programme and the format /set up for the first agenda and formal meeting of the Board.

- At the end of 2017 the NHS reported that the Kent and Medway review of acute and hyper acute stroke services would affect some patients in Bexley and East Sussex. This necessitated the establishment of a new [Joint Health Overview and Scrutiny Committee](#) involving those two Councils as well as Kent and Medway. Democratic Services represented Medway in those discussions and setting up the necessary constitutional arrangements
- A review of the composition of the [Joint Kent and Medway Health Overview and Scrutiny Committee](#) also took place early in 2018. The membership has now been re-balanced to provide Medway with an equality of seats on the Committee.
- Under the 2018 Make a Difference Awards the Head of Democratic Services has been designated as Manager of the Year for the Business Support Department and the Principal Democratic Services as Unsung Hero for the Department. These awards are a reflection of the consistently high service standards delivered by the whole team.

4. Audit and Counter Fraud

- 4.1 The Audit and Counter Fraud Shared Service has been in operation since 1 March 2016, providing internal audit, counter fraud and investigation services to Medway Council and Gravesham Borough Council. The team operates under a charter that sets out its purpose, authority and responsibilities to deliver audit work, including rights of access. The team also maintains a Quality Assurance and Improvement Plan that is used to assess the efficiency and effectiveness of the overall Service and identify areas for improvement. Both of these documents are reviewed annually and the most recent review was taken to Audit Committee for approval in [March 2018](#).
- 4.2 In February 2018, the service was subject to an [External Quality Assessment \(EQA\)](#); this is a review that must be undertaken every five years to assess compliance with the Public Sector Internal Audit Standards (PSIAS). The outcomes of the review were positive with the service judged to be performing at or above average levels for the Local Government Sector.
- 4.3 The latest [annual report for the Audit & Counter Fraud Shared Service](#) was presented to Audit Committee in June 2018. There were significant issues throughout the year with two officers on long term sick leave for six months and while some targets were not met, the performance was felt to be good under the circumstances and demonstrated the effort of the officers in the team:

- 91% of the agreed assurance work delivered (target 95%);
- 100% of recommendations agreed by client management (target 90%);
- 87% of available resources spent on productive work (target 90%); and
- £68,622 of historic Council tax identified (resulting in additional £6,541pa in future years) and notional savings of £77,900 linked to a fraudulent right to buy, all resulting from investigative activity.

4.4 A mini restructure within the service was completed early in 2018; removing the post of Audit and Counter Fraud Manager in favour of a third team leader post and replacing the vacant post of Audit and Counter Fraud Officer with an Intelligence Officer. The changes increased the level of available resource, addressed issues and concerns raised by officers within the team and it is hoped will also lead to an increase in the fraud savings identified over time.

4.5 A new [annual work plan for 2018-19](#) was also approved by the Audit Committee in March 2018. Delays in filling vacancies at the start of the year, sickness within the team and the flexible retirement of one officer (hours reduced by 0.5 FTE) has impacted on the level of resource available, which is significantly lower than the original projection used in the planning process.

4.6 Update reports are presented to the Audit Committee four times each year. These set out the progress made on delivering the plan and present the findings of all audit and investigation activities completed in the period; including where team members have supported the Council on projects and working groups, and by providing consultancy support, advice and information to the wider Council. The reports also provide details of the team's performance against its performance measures. The [September 2018 update](#), which covered the period 01 April to 31 August, reported that:

- 34% of the agreed plan underway or completed;
- 90% of the team's resources had been spent on productive work; and
- 100% of the recommendations made by the team had been agreed by client management, with 52% of those having been implemented by the date agreed in the final report.

4.7 A new Audit and Counter Fraud Officer, who replaces the officer who was successful in getting the new team leader role, starts on 15 October, filling the last of the current vacancies. However, the flexible retirement of one officer, coupled with the reduced hours of other part time officers mean that the team is currently staffed by 13 FTE against an establishment of 14 FTE. It is intended that this post will be filled to bring the team back to its full establishment.

4.8 In December the team will begin to start the planning process to prepare the work plan for 2019-20.

5. Revenues and Benefits

5.1 Benefits

- 5.1.1 The number of days taken to process claims (combined i.e. Housing Benefit and Council Tax reduction scheme) as at 30/09/18 averaged 10.15 days for the current financial year compared to 13.41 days as at 30/09/17.
- 5.1.2 Despite the biggest change to the Benefit system for 30 years with the go-live of Universal Credit in Medway from May 2018 and the service now being left with more complex and time-consuming cases it can be seen that performance has improved. This has been aided by a strong working partnership in place both internally (various sections working together) and externally with the local Job Centre Plus Chatham office part of Department for Work and Pensions. This has been recognised nationally as an example of best practice as 'two teams from two organisations with one aim'.
- 5.1.3 Personal budgeting support has been delivered by the Revenues and Benefits service to assist customers.
- 5.1.4 Assisted digital support has been provided throughout the libraries and hubs.

5.2 Council Tax

- 5.2.1 Aside from the day to day processes necessary to keep up collection rates a number of transformation projects are being progressed by council tax officers together with colleagues in the Transformation team (see paragraph 5.4).
- 5.2.2 Collection of the 2018/19 council tax stood at 53.64% as at 30/09/18 compared to 53.80% of the 2017/18 council tax collected as at 30/09/17.
- 5.2.3 Following a data matching exercise and as part of the annual National Fraud Initiative the sum of £153,000 has been recharged against individual council tax accounts where a single person discount was not applicable.

5.3 Business Rates

- 5.3.1 Collection of the 2018/19 business rates stood at 56.93% as at 30/09/18 compared to 56.87% of the 2017/18 business rates collected as at 30/09/17.
- 5.3.2 The Council has been participating with all Kent authorities in a pilot of 100% Business Rate Retention in 2018/19.
- 5.3.3 Discretionary (Revaluation) relief totalling £241,000 was applied to all eligible businesses prior to the issue of 2018/19 annual bills. These monies are fully funded as s.31 grant.

5.3.4 The service has been working with colleagues from the Regeneration team with a view to maximising potential business rate income.

5.4 Transformation

5.4.1 The Revenues & Benefits section continues to embrace the transformation agenda in response to a constantly changing environment which is highly legislated.

5.4.2 The current IT support contract with its partners Sopra Steria ends on 31/10/18 and a handover period to 30/04/19 was put in place. This has provided an ideal opportunity to consolidate the complex network of systems to support its function in the future including options for a cloud based revenues and benefits system. Consequently, the service has been working closely with the transformation team in devising both a Transition programme and a Transformation project road map to realise the vision of fully transforming the service to a paperless, fully automated, service to the residents of Medway.

5.4.3 The Transition programme includes the review of the following which are currently provided by Sopra Steria :-

- Document Image Processing and workflow system
- Scanning and Indexing service
- Database administration and application support

5.4.4 The Transformation project road map includes :-

- Online self-service for checking accounts
- E-billing to provide a paperless billing
- Latest version of landlord portal to check benefit claims of tenants to remove requirement to send paper remittances
- Provide additional online forms for self-service (including reporting moves within/into to/out of area which automatically updates council tax records – live August 2018)
- Benefit Risk Based Verification to streamline processes (go live 05/11/18)
- Identify opportunities to use Power BI for reporting and performance management

6. Income Generation

6.1 Corporate Debt

6.1.1 The Revenues and Benefits service continues to build on previous work undertaken by its outsourced IT provider Sopra Steria. It has identified a number of opportunities where the Council can reap benefits from the adoption of corporate debt recovery approach. These include Housing Benefit Overpayments, Parking Fines, Social Care, and Sundry Debts. There are some indication that the corporate debt

project initiatives are already starting to have some success whilst others are showing a brighter future

- 6.1.2 Housing Benefit Overpayments are extremely difficult monies to collect. Where specific benefits are still in payment deductions are made at a set rate (currently £11.10 per week or £18.50 per week where fraud proven). However, where benefit is no longer in payment a debtor's invoice is raised and recovery action is similar to sundry debt. Recently, the Council has obtained additional powers specifically for these types of debts by applying for employment details from the Department for Works and Pensions. This has resulted in an additional £71,000 being collected for the period 01/04/18 to 30/09/18 when compared to the same period last year.
- 6.1.3 The introduction of the Digital Economy Act 2017 s52 (Debt) provides for a Code of Practice to cover the disclosure and use of information between Government Departments and local authorities for debt and fraud purposes. Consequently, a business case has been submitted by the Council working with the Cabinet Office for obtaining employment details from Her Majesty's Revenues & Customs in respect of Council Tax arrears where we hold a relevant liability (court) order. Should this bid to be a pilot scheme be successful (scheduled to be announced in Dec 2018) then the Council will be able to obtain employment details and serve an attachment of earnings order where monies are deducted at source by the employer and passed onto the Council. This would provide a significant boost to council tax collection.
- 6.1.4 The current enforcement agent contract for parking fines is due to end in 2021. The contract for collection of council tax and business rates by enforcement agents is due to expire in January 2019. Consequently, the Revenues and Benefits service will ensure that their new enforcement agent contract aligns with the expiry date of the parking fines contract. Future contracts will then cover the collection of parking fines, council tax, and business rates plus other corporate debts thereby ensuring synergy by having the same enforcement agent collecting various debts at the same time.
- 6.1.5 The generation of social care charges including invoicing now sits in its entirety in the Children and Adults Directorate within the Commissioning, Business and Intelligence service. This move has ensured a seamless process from when the client contribution is established to generating more accurate invoices and then pursuing unpaid charges.
- 6.1.6 The responsibility for the recovery of sundry debts having now passed to Revenues & Benefits Service, has meant that certain services such as enforcement agents are more easily available for the collection of these debts. Additionally, the identification of where debt has accrued within the council has in the past been difficult. One of the key objectives of the corporate debt team was to achieve a clearer understanding of the Council's overall debt. This has been overcome

by devising dashboards, which are due to be rolled out to senior officers shortly.

7. Risk management

- 7.1 The Risk Management Strategy is reviewed annually by the Strategic Risk Management Group and Members. The latest review has been considered by the Audit Committee on [27 September 2018](#) and appears elsewhere on the agenda (item no. 10) for this meeting prior to consideration by Cabinet on 20 November. The strategy sets out the risk management framework for the Council, defining roles and responsibilities and determining the methodology we use to identify and manage risks.
- 7.2 In line with the Strategy, the Council maintains a Strategic Risk Register to ensure that all relevant key risks are recorded and appropriate action is taken to manage them. The Register is reviewed and updated every six months by the Strategic Risk Management Group, Corporate Management Team and Members, with Members of this Committee considering the latest review (see agenda item no. 10) before Cabinet on 20 November. No new risks have been included and no risks are proposed for removal. The format of the risk register has been revised in response to feedback from officers and Members, aiming to provide a clearer 'story' for each risk, capture inherent, residual and target risk scores in line with the Risk Management Strategy and reduce duplication and the length of the document by removing the 'tracked changes' history. Each risk also now includes an update on the action plan.

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Appendices

None.

Background documents

None.