



MALDON DISTRICT
COUNCIL

APOLOGIES Committee Services
Email: Committee.clerk@maldon.gov.uk

DIRECTOR OF STRATEGY,
PERFORMANCE AND
GOVERNANCE
Paul Dodson

07 April 2021

Dear Councillor

You are summoned to attend the meeting of the;

OVERVIEW AND SCRUTINY COMMITTEE

on **THURSDAY 15 APRIL 2021** at **6.00 pm**.

Please note that this will be a **remote meeting** – Members to access the meeting via Microsoft Teams. Members of the press and public may listen to the live stream via the [Council's YouTube channel](#).

A copy of the agenda is attached.

Yours faithfully

Director of Strategy, Performance and Governance

COMMITTEE MEMBERSHIP:

CHAIRMAN	Councillor V J Bell
VICE-CHAIRMAN	Councillor B S Beale MBE
COUNCILLORS	M G Bassenger Miss A M Beale R G Boyce MBE R P F Dewick Mrs J L Fleming C Mayes C P Morley C Morris





AGENDA OVERVIEW AND SCRUTINY COMMITTEE

THURSDAY 15 APRIL 2021

1. **Chairman's Notices**
2. **Apologies for Absence**
3. **Minutes of the last meeting** (Pages 3 - 6)

To confirm the Minutes of the meeting of the Overview and Scrutiny Committee held on 21 January 2021 (copy enclosed).

4. **Public Participation**

To receive the views of members of the public of which prior notification in writing has been received (no later than noon on the Tuesday prior to the day of the meeting).

Should you wish to submit a question please completed the online form at www.maldon.gov.uk/publicparticipation.

5. **Disclosure of Interest**

To disclose the existence and nature of any Disclosable Pecuniary Interests, other Pecuniary Interests or Non-Pecuniary Interests relating to items of business on the agenda having regard to paragraphs 6-8 inclusive of the Code of Conduct for Members.

(Members are reminded that they are also required to disclose any such interests as soon as they become aware should the need arise throughout the meeting).

6. **Update on Agreed Scrutiny Items** (Pages 7 - 24)

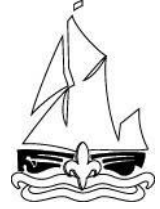
To consider the report of the Director of Strategy, Performance and Governance, (copy enclosed).

7. **Any other items of business that the Chairman of the Committee decides are urgent**

NOTICES

Recording of Meeting

Please note that the Council will be recording and publishing on the Council's website any part of this meeting held in open session. At the start of the meeting an announcement will be made about the recording.



**MINUTES of
OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2021**

PRESENT

Chairman	Councillor V J Bell
Vice-Chairman	Councillor B S Beale MBE
Councillors	M G Bassenger, Miss A M Beale, Mrs J L Fleming, C Mayes, C P Morley and C Morris
In Attendance	Councillors Mrs P A Channer and A L Hull

193. CHAIRMAN'S NOTICES

The Chairman welcomed everyone to the remote meeting, held under new regulations which came into effect on 4 April 2020 in response to the COVID-19 pandemic. She took Members through some general housekeeping issues, together with the etiquette for the meeting and then asked Officers and Councillors in attendance to introduce themselves.

This was followed by a roll call of all Committee Members present.

194. MINUTES OF THE LAST MEETING

RESOLVED by assent, that the Minutes of the Overview and Scrutiny Committee meeting held on 3 December 2020 be approved and confirmed.

195. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor R P F Dewick.

196. PUBLIC PARTICIPATION

There was none.

197. DISCLOSURE OF INTEREST

There were none.

198. REPORT OF THE WORKING GROUP ON REQUESTED SCRUTINY ITEMS

The Committee considered the report of the Overview and Scrutiny Working Group (Working Group) that updated Members on Working Group discussions and recommendations to build on the Committee's workplan of scrutiny items.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail.

The Manager advised that the report updated the Committee on the outcomes from the Working Group held on 8 December 2020. She drew Members' attention to section 3.2 of the report that detailed the Working Group's agreed ways to raise awareness of the new process and reporting form to all Members. It was noted that following the agreed working procedure and discussion at the meeting that two items were recommended for inclusion in the workplan. These were available at Appendix A) a review of Transformation and B) a review of the Debt collection process submitted on the approved standard template for items being put forward to the Committee.

She took Members through the appendices noting that the Lead Officer would conduct the investigation agreed by the committee and produce a report and that the Lead Member would be responsible for ensuring the investigation remained on track and in line with the Committee's agreed terms. It was suggested that whilst the Member putting forward the item would play a key role in feeding into the process, the Lead Member would be separate to allow for neutrality. However, it was also noted that the Committee and or the Chairman could choose any committee member for the role or leave it vacant if the item was straightforward and the lead officer could report back to Committee.

Following the Officer's presentation, the Chairman moved the recommendations as set out in the report and these were seconded by Councillor Mayes.

A brief discussion ensued in respect of Appendix B and the designated Lead Member on the Debt collection process. Councillor Morris said that whilst he acknowledged the benefit of having a neutral lead it was also important to bring knowledge and experience to bear. He asked that he be made lead in this instance. Councillor Mayes, the designated lead, concurred with this and said that Councillor Morris would bring the necessary knowledge and experience required. The Chairman, whilst acknowledging the concept of a neutral Member, agreed, and said that in this instance someone that brought knowledge and passion to the subject was the appropriate lead.

Councillor Mayes then proposed that Appendix B under recommendation (ii) below be amended and that Councillor C Morris replace her as Lead Member. This was seconded by Councillor Bassenger.

The Chairman then put the recommendations, including the aforementioned amendment, to the Committee and they were agreed by assent.

RESOLVED

- (i) That the report of the Overview and Scrutiny Working Group activity be received and assurance that the process for Overview and Scrutiny is effective be confirmed;

- (ii) That the recommended scrutiny items and their timetable set out below and additionally in Appendix A and updated Appendix B to the report be adopted.
- Transformation – learning from what we have done;
 - A review of the Debt collection process and policy and the impact on residents.

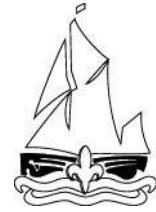
199. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

There were no further items of business and the Chairman, prior to closing the meeting, thanked all present for their contributions.

There being no further items of business the Chairman closed the meeting at 6.26 pm.

V J BELL
CHAIRMAN

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**REPORT of
DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE**

**to
OVERVIEW AND SCRUTINY COMMITTEE
15 APRIL 2021**

UPDATE ON AGREED SCRUTINY ITEMS

1. PURPOSE OF THE REPORT

- 1.1 To update the Committee on the approach to agreed scrutiny items.

2. RECOMMENDATIONS

- (i) That the Committee reviews the initial update on the Transformation Learning item at **APPENDIX 1** and considers the date delay for final report set out at paragraph 3.3.3 below;
- (ii) That the Committee notes the initial response and information provided on the Debt Recovery Process and considers a deferment of the review for 6 months and whether it wishes to redefine the scrutiny item in light of the interim report at **APPENDIX 2**.

3. SUMMARY OF KEY ISSUES

- 3.1 On 21 January 2021 the Committee considered a report of its Working Group having reviewed Member requests / suggestions for areas of scrutiny and agreed to the inclusion of two items in its workplan.
- 3.2 The Lead Officers in both cases have started the necessary information gathering and report preparation to assist the Committee as follows:
- 3.3 **Transformation – Learning from what we have done (estimated timescale 12 weeks - 19 April 2021)**
 - 3.3.1 The original blueprint document for the Council's Organisational Transformation identified an overall savings target for the Future Model, and also seven work packages with expected outcomes. The work being conducted is reviewing the outcomes identified, and to what extent relevant officers feel they were achieved and when, and also any relevant customer and cost implications that have been seen.
 - 3.3.2 To date, relevant officers have largely fed back on progress against the original objectives, and there are emerging points of learning, for example where some items were more complicated or took longer than expected and then couldn't underpin the new structure.
 - 3.3.3 The finance team are conducting a wider piece of reconciliation of the structure and budgets, which will review the financial delivery of Transformation. They expect this

work to be completed in May 2021 - as this will inform the final version of the report and findings, we expect completion of the full report to be delayed to 31 May 2021.

3.4 A review of the debt collection process and policy and the impact on residents (estimated timescale 16 weeks - 17 May 2021)

- 3.4.1 As part of the scoping of this scrutiny item the Committee agreed some detailed questions requiring to be explored. It follows that detailed information will need to be researched and provided to assist the Committee with this review. For the purposes of preparing the Committee for its further work on this item however, the assumption has been made that the scrutiny will be confined to debts occurring in relation to Council Tax and Business Rates.
- 3.4.2 The Lead Officer's initial response to the agreed brief is attached at **APPENDIX 1**. This largely deals with context and the relevant provisions of the Council's Strategy on this subject, and also describes the Recovery Process together with the tools available to the Council.
- 3.4.3 The Committee may wish to assess whether and how it wishes to proceed with more detailed scrutiny of this area of work in the light of the information provided, and plan accordingly. At this point however, the service area has been unable to provide a detailed response to the specific scoping questions. This is due to the current demands and pressures on the service, including administering of the Business Grants schemes, annual billing, processing increased benefit applications and Covid Track and Trace applications which is being undertaken in addition all other core work of the team. Re-allocating resources to this review would result in significant risks and impacts to customers such as the inability to assess and pay Business Grants, benefit payments.
- 3.4.4 The review to date has established that a robust Corporate Debt Policy is in place which is primarily rooted in a legislative background and provides a clear and detailed framework for how Council Tax and Business Rate debts are dealt with.
- 3.4.5 In terms of debt recovery work, there has been a significant reduction in proactive enforcement, including Enforcement Agents (Bailiff) action due to impact of, and in response to Covid. The Corporate Leadership Team (CLT) and the service managers have requested that the Committee gives recognition to this and considers the postponement of the review for six months and if required redefinition of this scrutiny item.

4. CONCLUSION

- 4.1 The updates are provided on the agreed Committee workplan items for Member review and discussion.

5. IMPACT ON STRATEGIC THEMES

- 5.1 Thorough scrutiny processes underpin the Performance and Efficiency Corporate Goal.

6. IMPLICATIONS

- (i) **Impact on Customers** – Both workplan items will review the impact of our programme work and policies on our customers once finalised.
- (ii) **Impact on Equalities** – Equalities are considered as part of the reporting officer review work.
- (iii) **Impact on Risk** – Reviewing these items will help to identify potential Corporate Risks and their mitigation.
- (iv) **Impact on Resources (financial)** – Within the Transformation review we will assess the financial impact to the organisation.
- (v) **Impact on Resources (human)** – Within the Transformation review we will assess the resource impact to the organisation.
- (vi) **Impact on the Environment** – None.
- (vii) **Impact on Strengthening Communities** – None.

Background Papers: None.

Enquiries to:

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Transformation- a review of to what extent the outcomes were achieved – draft report.

Background

At the extraordinary meeting of Council held 9th August 2018, a Blueprint for Transformation was set out by Consultants Ignite, and agreed by Members.

There were seven work packages that defined the Transformation programme at Maldon District Council with outcomes underneath each of these. These informed the wider budget framework and savings targets.

A reconciliation exercise on the Transformation budgets and their achievements is still in progress and will feed into this report.

Learning points

Transformation work is an ongoing and iterative process, and although there were large organisational changes between the Blueprint sign off in August 2018 and the structure 'go live' in October 2019, work is still ongoing within some of the work packages in areas like ICT and Process Improvement.

When the revised structure went 'live' in October 2019, not all work packages were complete to be able to fully underpin the new structure (eg WP3 and WP4). The impact of so few staff being job matched, and the higher than expected staff turnover had an immediate impact on Staff Wellbeing (WP2), but latest staff survey results shows that staff satisfaction in this area has since increased.

The expectation for process improvement delivery by October 2019 was optimistic, and continual process improvement was not designed into the structure where it should have been. (WP4) This has since been addressed with the latest Council budget, but should have been identified in the model.

Delay in phones implementation has had an impact on customer experience (WP3)

The vision for the use of APIs and integrations was also optimistic. System APIs can be very expensive and take 6-8 weeks per process to configure. Work in this area is ongoing and being picked up with the emerging ICT strategy. (WP3)

Due to the speed and nature of the operating model process, Training and outcomes were delivered by Ignite and consultancy staff. This has meant HR and management staff have had to take time and build knowledge to become custodians of the structure (WP1)

As this learning has been identified, the Corporate Leadership Team have worked to address gaps and support staff to ensure we still deliver overall objectives, and this is part of the agile approach of the Organisation (we will review possible additional costs)

What could we do more of in the future?

Promote the new digital customer journeys as they go live, so that customers know they can, for example report Flytipping online.

Conduct ad hoc phone and customer surveys to get feedback on how our ways of working could be improved.


Build on the new resident and staff survey, using feedback to help shape future ways of working.

Transformation work packages

A summary of the proposed 7 work-packages of the programme is shown below:

Work Package	Agreed outcomes	Analysis	Customer and cost implications
WP1: operating model	<p>This will include the production of all organisation charts and supporting the creation of all new job descriptions and evaluation of these new roles.</p> <p>Coach CLT and senior managers in all aspects of the operating model so that they can continue to build it after the transformation programme is complete</p>	<p>This commenced in July/ early August until the end of August 2018.</p> <p>The above is the timeline for these. There is a central database for phase 1 & 2 of the new Job Descriptions. There is also an Organisation Structures PowerPoint presentation. There is a spreadsheet of all Job Descriptions which were evaluated in the HR folders and the majority of these were done in August 2018.</p> <p>All organisational charts used for the consultation, PowerPoint slides, and 80% of JD's were completed by Ignite with Corporate Leadership Team input.</p> <p>The job Descriptions ere provided to HR on request with limited time allowance prior to the Job Evaluation panel meetings. All evaluation Rationales are on file and still referred to for benchmarking other roles on the establishment to ensure all roles align to the new structure.</p> <p>The final Organisational Charts we now use, were produced by HR as a result of the outcomes from the interview process and</p>	

Work Package	Agreed outcomes	Analysis	Customer and cost implications
		<p>made available to staff just prior to go live date.</p> <p>Due to the nature of the number of changes and confidentiality with contracts being signed these were not made available too far in advance and only when they could be released and agreed; in line with HR and finance structure sign off with Corporate Leadership Team.</p>	
WP2: People	<p>Key components of the consultation include:</p> <ul style="list-style-type: none"> Supporting CLT in Union engagement Producing the consultation pack Overseeing the arrangements for all group and individual consultation meetings Collating all staff feedback to the consultation <p>Core aspects of the recruitment process, which will run in two large stages in autumn 2018 and spring 2019, will include:</p> <ul style="list-style-type: none"> Notifying affected staff that they are at risk. Evaluating new roles Assessing any matching and ring-fencing to the new roles 	<p>The consultation document was produced and is dated 17 Sept 2018, it refers in the document to detailed design workshops being held in August and Sept with staff. Union consultation started 10 Sep 18, group consultation on 17 Sep 18. Individual consultation meetings between 17 Sep and 17 Oct 2018. With all staff in phase 1 being notified from 29 Oct 2018 if they applied for a Tier 2 manager role. After which, assessment and selection for staff for phase one commenced until notifications from 26 Nov 18.</p> <p>These were signed for by employees at the consultation meetings and/or later collected from HR office.</p> <p>HR arranged and sat in on every consultation meeting.</p> <p>There was a Q&A which HR collated and responded to every week over a four-week window. These were published on the Intranet. Circa 200 were received and responded to. Amongst these any were objections to the Phase some employees had been included within; these were reviewed by CLT and in some instances, were removed from Phase 1 and placed within Phase 2.</p> <p>Phase 2 commenced March 2019 and go live end of Oct 2019. Union consultation from 18 Feb 2019. Group and individual consultations from 4 March 2019- 4 April 2019.</p>	<p>Staff survey results show that between November 2019 and November 2020, 70% of staff agreed that the Council demonstrates a genuine concern for their wellbeing, a 32 percentage point increase from 2019.</p> <p>This can be attributed to the large amount of wellbeing work that has been put in place as a result of remote working and the Pandemic response since March 2020, but is also likely to be a reflection of the impact of Transformation on staff well-being too</p> <p>There was also an internal communication plan for the</p>

Work Package	Agreed outcomes	Analysis	Customer and cost implications
	<ul style="list-style-type: none"> Running the expression of interest and sifting process Training all appropriate managers for interviewing Arranging and feeding back on all interviews Drawing up all new contracts of employment 	<p>At risk letters are on staff files</p> <p>All evaluations are captured on the HR spreadsheet</p> <p>There is an assimilation exercise which the JE panel were asked to consider. After discussion, HR and JE panel were not consulted on this and a decision was made that very few roles were assimilated. This was criticised by employees. Few roles were ringfenced and only a handful were slotted for like-to-like positions.</p> <p>Tier 3 assessment and selections started 29 April 2019. Assessment and selection for remaining phase 2 staff took place 13 May 2019-21 June 2019.</p> <p>Offer letters were issued to staff in batches for Phase 1 as there was a tree of succession which had to be followed due to the number of staff affected and the number order of roles they applied for (up to 3 per employee). New contract templates had to be drafted, personalised and issued, and signed copies returned before the Council published individuals' roles in any organisational chart.</p> <p>Contracts were issued starting January 2019 for Phase 1 and Sept 2019 for Phase 2 staff – evidenced in current staff files. All consultation documentation, at risk letters, redundancy letters, interview notes, questions, offer letters and contracts etc are saved on individual staff files. Feedback was provided when requested by the relevant Tier 2 manager only.</p>	<p>programme:</p>  <p>Programme Communications Strat</p> <p>R24 'Loss of key skills and knowledge across the organisation, and failure to embrace new working cultures' was identified and reported on the Corporate Risk Register, tracked during this period and then recommended for Closure in October 2020.</p>
WP3: Technology	<ul style="list-style-type: none"> Network services 	<p>We now have 1gb internet (was 10mb), a fully documented network, professional secure Wi-Fi and guest network, new hardware we now have multiple firewalls- whole network is now fully resilient. This was in place July 2019.</p>	

Work Package	Agreed outcomes	Analysis	Customer and cost implications
	<ul style="list-style-type: none"> Unified communications Contact Centre Management Digital Platform (customer) Laptops and desktops Upgrades & APIs 	<p>MS Teams rolled out to back-office staff Jan 2020.</p> <p>Old phone system work took longer than expected. A new phone system was launched February 2021, but the delay meant a small number of customers experienced 'dropping calls' when contact volumes were high</p> <p>Firmstep system live from October 2019. Customers able to self-serve for processes that have been built, and ongoing work to add to these. Integrations to the back-office systems not yet fully functioning.</p> <p>No longer have on site desktops. All laptops are windows 10, up to date. We have a rolling three-year plan of upgrades. Completed October 2019.</p> <p>Ongoing, and more complex than original scope feeding into the emerging IT strategy.</p>	<p>Delay had a continued impact on customer experience but was also a result of move to remote working and supplier issues caused by Covid.</p> <p>Over 60% of customers have given 4 or 5 star ratings (out of 5) for our online forms since October 2019</p> <p>The impact of not having APIs is seen by staff, as it means manually moving information between systems, and their processes are not as efficient as anticipated.</p>
WP4: Process Redesign	<p>To support the implementation of the new organisational structure, there are significant proposed changes to the council's processes. Using the twelve design principles developed through Ignite's transformational work with local authorities over the past decade and our process redesign approach of Eliminate, Simplify, Standardise and Automate, we will redesign the selection of processes identified as a result of the data discovery exercise</p> <p>This work-package focusses on ~200 priority processes across the areas of Housing, Planning, Building Control,</p>	<p>Although processes were designed, they were not fully implemented, and Ignite didn't complete as many designs as promised.</p> <p>Some of the seconded BA's moved roles and left the organisation during the work package, so less.</p> <p>This work has since been picked up and managed by the programmes, performance and governance team since June 2019 and is an ongoing programme of work.</p> <p>It can take around 4- 6 weeks to design, build and implement each process, so the expectation for this work programme was likely unrealistic.</p> <p>Staff availability to help scope processes was also an issue, as going through the restructure some weren't as engaged with</p>	<p>Resource past October 2019 was not identified for this work to continue.</p> <p>Underspend from the original Transformation budget was utilised to fund a Business Analyst post and Technical build post.</p> <p>Without this, the organisation would not have been able to respond to the new processes required for Covid requirements, or redesign processes as new technology</p>

Work Package	Agreed outcomes	Analysis	Customer and cost implications																																
	<p>Environmental Health & Licensing, Revenues and Benefits, Community & living, Leisure, Countryside & Tourism and support services. There is a breakdown of the number of prioritised processes to redesign by functional areas.</p> <p>The process redesign team will be made up of 8 Business Analysts and a team lead supported by a process redesign specialist and trainer from Ignite. The full BA team is expected to be resourced from within the council through internal secondment.</p> <table border="1"> <thead> <tr> <th>Service area</th><th>Phase</th><th>Total number of processes</th><th>Related systems</th></tr> </thead> <tbody> <tr> <td>Finance, IT, legal and PPP</td><td>1</td><td>153 - out of which 30 will be redesigned</td><td>Website (intranet), workflow, performance management</td></tr> <tr> <td>Planning policy and elections</td><td>1</td><td>34 - out of which 10 will be redesigned</td><td>Website, customer contact management, workflow, back office system</td></tr> <tr> <td>Revenues & Benefits and Strategic Housing</td><td>2</td><td>86 - out of which 40 will be redesigned</td><td>Website, customer portal, customer contact management, workflow, document management, back office, payment</td></tr> <tr> <td>Development management and building control</td><td>2</td><td>62 - out of which 37 will be redesigned</td><td>Website, customer contact management, workflow, document management, back office, GIS, Payment</td></tr> <tr> <td>Customer Services</td><td>2</td><td>35 - out of which 20 will be redesigned</td><td>Website, customer contact management, workflow, document management, back office, GIS, Payment</td></tr> <tr> <td>Community & living, Leisure, Countryside & Tourism (phase 2) and Env Health & Licensing</td><td>2</td><td>271 - out of which 48 will be redesigned</td><td>Website, customer contact management, workflow, document management, back office, GIS, Payment, mobile solution</td></tr> <tr> <td>Leisure, Countryside & Tourism (phase 3)</td><td>3</td><td>78 - out of which 12 will be redesigned</td><td>Website, customer contact management, payment</td></tr> </tbody> </table> <p>The row colours above align with the core types of activity (box) colours. Eg <i>Green - focusses on the Organisation</i>, <i>Blue focusses on the customer</i> and <i>Red focusses on supporting Blue</i></p>	Service area	Phase	Total number of processes	Related systems	Finance, IT, legal and PPP	1	153 - out of which 30 will be redesigned	Website (intranet), workflow, performance management	Planning policy and elections	1	34 - out of which 10 will be redesigned	Website, customer contact management, workflow, back office system	Revenues & Benefits and Strategic Housing	2	86 - out of which 40 will be redesigned	Website, customer portal, customer contact management, workflow, document management, back office, payment	Development management and building control	2	62 - out of which 37 will be redesigned	Website, customer contact management, workflow, document management, back office, GIS, Payment	Customer Services	2	35 - out of which 20 will be redesigned	Website, customer contact management, workflow, document management, back office, GIS, Payment	Community & living, Leisure, Countryside & Tourism (phase 2) and Env Health & Licensing	2	271 - out of which 48 will be redesigned	Website, customer contact management, workflow, document management, back office, GIS, Payment, mobile solution	Leisure, Countryside & Tourism (phase 3)	3	78 - out of which 12 will be redesigned	Website, customer contact management, payment	<p>the new processes.</p>	<p>or legislation emerged.</p> <p>In February 2021, as part of the budget setting, Council agreed to an additional cost to permanently write this resource into the organisation.</p>
Service area	Phase	Total number of processes	Related systems																																
Finance, IT, legal and PPP	1	153 - out of which 30 will be redesigned	Website (intranet), workflow, performance management																																
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WP5: Culture and Change	<ul style="list-style-type: none"> The new target culture 	<ul style="list-style-type: none"> Established new SPG directorate and specific roles to lead on this, and in post from April 2019. New Service Planning Template New objective template for all staff (SMART) New Corporate plan performance reporting to PGA since November 2019 New operational Balance Scorecard report for manager review, and exception reports to PGA committee since January 2021 	<p>Staff survey results show that between November 2019 and November 2020</p> <p>82% of staff agreed that they have regular catch ups and one to one's with their line manager which represents 20-percentage point increase</p>																																

Work Package	Agreed outcomes	Analysis	Customer and cost implications
	<ul style="list-style-type: none"> Address the perceived mis-alignment between Tier 2 managers, the top team and staff on the ground Ongoing assessment of readiness and engagement Comprehensive communications strategy and plan- TBC Transition plans to support new teams as they go live and embed new ways of working Tailored learning plans to support staff at all levels adopt new ways of working 	<ul style="list-style-type: none"> Annual staff survey designed and launched Nov 2019 Regular 1-2-1's part of the (SMART) objectives process A project board has been established as part of the Project Management Office implementation Additionally, not defined by Ignite, but put in place by MDC to continue to support this, the process improvement team. <p>This was approved by S&R in October 2019 see Minute 469 https://democracy.maldon.gov.uk/ieListDocuments.aspx?CId=285&MIId=1909&Ver=4</p> <ul style="list-style-type: none"> Launch of new Service plan template for Tier 2 managers to define ways of working and team plans in March 2019. Launch of new staff objective template March 2019 – simplified and capturing specific learning for staff objectives. Specific Agile training workshops for staff ran in December 2019/ January 2020 	<p>from 2019.</p> <p>A 19-percentage point increase was seen in the area of Council leadership. 64% of respondents said they thought that the Council recognizes that speaking openly and being transparent about the workplace and any issues, provides opportunities for improvement.</p> <p>71% of respondents said they were proud to work for MDC while 91% said they felt safe to speak openly and honestly about work to their colleagues. Both responses show an increase in 22 and 20 percentage points respectively.</p>

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SCRUTINY ITEM INITIAL RESPONSE – DEBT COLLECTION PROCESS**1. Purpose**

- 1.1. To provide the Committee with information together with contextual review considerations relevant to the agreed scoping of this scrutiny item.

2. Background

- 2.1 The agreed description of this scrutiny item is –

A review of the Debt collection process and policy and the impact on residents

In the consideration of this item through the initial Member request and review process involving the Committee's Working Group, it was asserted that there were aspects of the way in which the process was operated which were impacted in a detrimental way on residents. Particular reference was made to the use of enforcement agents ("bailiffs") and the power regarding Attachment of Earnings Orders ("AoE"). It was further asserted that individual vulnerability was an issue not always properly taken into account.

- 2.2 The scoping of this scrutiny items in terms of the broad questions to be addressed have been agreed by the Committee as follows:

1. Is there a policy and is it being followed – processes involved.
2. Is this for Council Tax/Business Rates collection or other debts.
3. To what extent are bailiffs/AoE being used, and how successful is this in terms of debt recovery.
4. What revenue from enforcement has been collected by way of bailiffs and AoE
5. How and to what extent are vulnerability checks being made.
6. Is the MDC approach consistent with general local authority practice.
7. How and to what extent are the processes undertaken and practices being followed to the detriment of local residents.

3. Context

- 3.1 This scrutiny item is potentially quite wide since debts to the Council can arise in a number of service areas where fees, charges and demands are issued. Debt management and recovery is therefore a corporate issue and the relevant Council policy on this is indeed a corporate one. For the purposes of preparing the Committee for its further work on this item, the assumption has been made that the scrutiny will be confined to debts occurring in relation to Council Tax and Business Rates.
- 3.2 The information provided here to assist the Committee is based on fact in terms of the Council's corporate policy and an understanding at Officer level of how that policy together with any supporting procedures and processes are implemented. It will be for the Committee to consider whether the information provided satisfactorily deals with the questions listed above or whether more detailed scrutiny is required and plan for it accordingly.

4. Corporate Debt Recovery Strategy

- 4.1 This corporate policy was agreed by the former Finance and Corporate Services Committee in November 2018 and is due for review later this year when Members will have the opportunity for input. It will be open to this Committee to make any observations or recommendations it may wish to see taken into account.
- 4.2 The Strategy seeks to promote the efficient and effective collection of income due to the Council in line with its Corporate Objectives and desired high-level outcomes. It emphasises at the outset that strong and prompt inward cash flow has a direct impact on the Council's financial situation, enabling it to minimise reliance on financial reserves and maximise investment income, which in turn supports the overall budget and reduces the level of Council Tax required. The Strategy aims to enable the Council to be seen as an efficient, cost effective, fair and equitable organisation both in its dealings with external customers and its internal administration procedures. The Council strives to achieve high collection rates for all debts, and targets for the collection rates for the two main income streams – Council Tax and Business Rates – are set as part of the annual Business Planning process and are agreed by Members, with performance reports reviewed regularly by the Corporate Leadership Team and also Members. While stretching targets are set, the Strategy recognises that the Council has a duty of care to all customers, particularly the vulnerable. A balance has therefore to be struck between the importance of supporting vulnerable customers alongside increasing the Council's income.
- 4.3 Among the various stated aims of the Strategy the following are particularly relevant:
- Advise and assist customers to avoid debt issues before they arise
 - Make pro-active contact by email and telephone to ensure early intervention and payment
 - Provide payment options which are cost effective and support prompt
 - Payment
- 4.4 The Strategy makes specific reference at para 2.10 to the use of **External Collection Agencies** at where value for money can be demonstrated and subject to the Council's own procurement rules and with performance being monitored through a service level agreement. The Strategy also deals specifically with **Vulnerable Customers** – here is what it says at para 2.11 –

We recognise that some members of the community may be considered to be more vulnerable and therefore, may require additional support in dealing with their financial affairs. We at MDC will work alongside third sector organisations, adopting best practise and signposting customers for debt advice.

Vulnerability does not mean that a person will not be required to pay amounts they are legally obliged to pay. However, where a person is recognised to be vulnerable consideration should be given to;

- *Allowing longer to pay or breathing space,*
- *Postponing enforcement action,*
- *Assisting the person to maximise their income by claim benefits, discounts or other entitlements, or to review their financial position with a recognised*
- *partner such as the Citizens Advice Bureau,*
- *Providing information in an accessible format,*
- *Alleviate Poverty and prevent homelessness,*

- *Helping customers through personal crises, severe or exceptional circumstances and difficult life events,*
- *A temporary payment arrangement with lower repayment than would normally be agreed,*
- *Using the Council's Safeguarding processes to raise any concerns regarding the debtor's safety or welfare,*

The cause of vulnerability may be temporary or may be permanent in nature and the degree of vulnerability will vary widely. The following list will be used as a guideline for both MDC staff and their agents and identifies some of the characteristics of persons who could be considered vulnerable however each case must be taken on its own merits:

- **Disabled Persons** – *Where the disability affects the person's ability to deal with their financial affairs.*
- **Serious illness** - *Where the debtor or partner appears to be suffering from any condition which is serious or life threatening, including mental illness.*
- **Mental Impairment or Learning Difficulties** – *Where it is evident the debtor is suffering from mental impairment or learning difficulties.*
- **Persons in receipt of Benefits** – *If the debtor is in receipt of benefits or in serious financial difficulties due to loss of employment or is suddenly unable to meet their existing financial commitments.*
- **Language Barriers** – *Where a person does not understand spoken or written English.*
- **Age under 18** – *Anyone aged less than 18 years should automatically be considered to be vulnerable.*
- **Elderly Persons** – *Who are frail, confused and or ill and have limited income.*
- **Recently Bereaved** – *For example a bereavement of a close relative.*
- **Lone Parents** – *In particular those with very young children who find it difficult to take up employment and rely on welfare benefits.*
- **Late Stages of Pregnancy** – *Who may find dealing with serious financial issues stressful, particularly if they are not supported by a partner*
- **Difficulty reading and writing** – *They are likely to have difficulties*

5. The Recovery Process

5.1 The formal process for the recovery of a Council Tax debt begins with the seeking of a **Liability Order** from the Magistrates Court. The Court will grant an order if satisfied that an amount of Council Tax is outstanding. A **Liability Order** gives the Council further powers to enforce payment, the main options being -

- Deductions from earnings, benefits, or Members allowance (Council Tax only)
- Instruct an Enforcement Agent to take control of goods
- Bankruptcy/Winding up proceedings
- Charging Order (Council Tax Only)
- Committal to prison

5.2 Following the grant of a **Liability Order**, Officers will write to the Liable Person(s) confirming that such an Order has been granted and the amount payable. The letter will encourage the Liable Person to put forward a proposal for a payment arrangement, but before any offer can be considered a statutory "request for Information" form must be completed, providing details of the Liable Person's employer, expected earnings and any other income. This must be returned together

with a budget statement so that consideration can be given to the appropriateness of a payment arrangement or further enforcement action. Failure to comply with the request for information is a criminal offence and may result in prosecution.

Attachment of Earnings Order (AOE) - where a Liability Order has been granted, the Council can instruct an employer to make deductions from a Liable Person's salary under an. An Order will be served on the employer, with a copy sent to the Liable Person. The amount of the deduction will depend upon the person's net salary and based on percentage deductions within salary bands, details of which are contained in Schedule 4 to the Council Tax (Administration and Enforcement) Regulations 1992, a copy of which are included with the AOE when it is sent to the Employer.

Attachment of Benefits (Council Tax Only)

The Council may apply to the Department of Work and Pensions (DWP) to have deductions made from a debtor's Income Support, Guaranteed Pension Credit, Income Based Jobseekers Allowance, Employment Support Allowance and Universal Credit.

Attachment of Members Allowances (Council Tax Only)

Relates to Liability Orders granted against Elected Members of a billing or relevant precepting authority. Up to 40% can be deducted from the Members's allowances.

Enforcement Agents (Previously known as Bailiffs)

The Liability Order allows an Enforcement Agent to be instructed to recover an outstanding Council Tax or Business Rates debt and, where the debt is not paid, to remove goods to the value of the debt, known as "taking control of goods".

- 5.3 The Council has a formal agreement with Enforcement Agents to determine arrangements such as the hours they can call, the days they can attend, and that they will operate within the code of practice of The Enforcement Services Agency of England and Wales.
- 5.4 If an Enforcement Agent takes control of goods to the value of the debt, he can enter into a "Controlled Goods Agreement" under which he will allow the goods to remain with the debtor, whilst a payment arrangement is made. If a debtor fails to sign the agreement, or fails to maintain the payment arrangement, the Enforcement Agent is legally entitled to seize those goods.
- 5.5 The Strategy provides, and it is worth emphasising, that the Council **will only** instruct an Enforcement Agent where a debtor has been advised of the Liability Order and has been given an opportunity to make a payment arrangement. It follows that where a debtor fails to engage with the Council, or to provide the necessary financial information on which a payment arrangement could be based, it will not be possible properly to assess issues of vulnerability. The Council may therefore have no alternative but to progress with enforcement action with the use of agents, as a last option.
- 5.6 Whilst front line staff can discuss and propose payment arrangements with customers, any move to formal enforcement action will be only be dealt with and agreed by a small team of highly experienced debt recovery staff. This would include a review of the customer's account before deciding to invoke measures such as an Attachment of Earnings, or referral to an Enforcement Agent.

- 5.7 Staff will continue to be mindful of and sensitive towards issues of vulnerability and where necessary additional steps will be taken to provide a customer with the appropriate support. Where a customer has been identified as potentially vulnerable after formal enforcement action has been begun the various options as outlined in 4.4 above will still be applicable.

6. Debt relief and respite

- 6.1 It should be noted that the Council provides a range of reliefs under section 13A of the Local Government Finance Act 1992, including Council Tax Support. This is discretionary relief and not a statutory entitlement, and the full cost is borne by Council Tax payers generally. This provision therefore must be used carefully to ensure it is offering value for money for all Council Tax payers. The Council has made no specific budgetary provision to offer reductions more widely outside of approved policies, and whilst that would not be a valid reason to refuse an application for relief, any reduction agreed would be directed to cases with “exceptional hardship” in line with the policy. Section 13A is not a power to write off a debt.
- 6.2 Any resident can make an application under the exceptional hardship provisions of the approved Council Tax Support Policy and would be required to demonstrate their exceptional hardship (financial or other exceptional hardship). Decisions are delegated to the Director of Resources, and expenditure linked to the exceptional hardship provisions is generally in the range of £5,000 to £8,000 per year.
- 6.3 Under the Council’s Corporate Debt Recovery Strategy, any debt which cannot be recovered is then dealt with through the Councils wider financial arrangements and may in certain circumstances be written off. Decisions up to a given limit are delegated to the Director of Resources, with debts of a higher value being referred to Members of the Council.
- 6.4 A further and recently introduced statutory provision better known as the Breathing Space Moratorium will take effect on 4 May 2021. It aims to help people in problem debt to better manage their finances, seek professional debt advice and reach sustainable solutions. This will impact on local authorities in the way that they manage their systems for the debts that are eligible for the scheme. A standard breathing space moratorium will provide protections for people in problem debt by pausing enforcement action from creditors, and freezing charges, fees and certain interest on qualifying debts for up to 60 days.

7. Approach to scrutiny

- 7.1 Given the above information relating to the Strategy and related processes, the Committee may wish to review the agreed scope of this scrutiny item with a view to identifying whether there is anything in relation to those scoping points it should look at in greater detail, and then plan it accordingly.
- 7.2 The provision of more detailed information in response to those scoping points has not been forthcoming to date given the extreme pressure Officers in the Revenues and Benefits Team/Resources Directorate remain under due to the pandemic. In the circumstances it is considered there is a limit on the amount of information that can reasonably be requested at a time when resources must be directed towards priority

work in terms of meeting the Council's statutory obligations. Should the Committee decide that further information and/or more detailed scrutiny is required, then a realistic timetable will need to be agreed as part of the further scrutiny planning.

- 7.3 Officers are of the view that there is little or no apparent evidence of any public disquiet or complaints around this subject to suggest that the Council is failing in the exercise of its duty, not following its policy and ignoring the issue of vulnerability. Further, no related issues have been raised through performance monitoring or the internal audit processes. Due to the unforeseen and exceptional circumstances of last year running into this year, it is understood there has been a significantly low level of enforcement activity with the least number of cases going to or past the Court hearing stage. In normal times however, a robust approach to the recovery of debt would be expected for the benefit of the wider public.

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