

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

26 September 2023

Report by Clerk

CLARIFICATION RECEIVED ON QUERIES RAISED AT PREVIOUS MEETING

PURPOSE OF REPORT

1. To summarise the clarification received and circulated on queries raised at the meeting of the Committee held on 10 August regarding the Internal Audit Report on the *Council Tax System – Recovery and Enforcement*.

RECOMMENDATION

2. It is recommended that the Committee notes the position.

REPORT

3. In June 2022, the Committee endorsed the final observations and recommendations made by the Committee in April 2022 arising from its self-evaluation, agreeing to implement recommendations made as appropriate.

4. One of the self-evaluation observations made was that when queries on reports are raised at meetings, it is not always possible for answers to be provided at the meeting itself. Although the provision of clarification or assurances subsequently was considered acceptable, it was agreed, in the interests of transparency, that the Clerk should submit a summary of clarification received and circulated to the next meeting.

5. A related observation endorsed by the Committee was that it is useful, where possible, for Members to alert the Clerk or Chair in advance to issues they wish to raise at meetings. This is with a view to helping to ensure that answers can be requested, prepared and made available to the Committee where possible at its meetings, also in the interests of transparency. Members of the Committee are therefore encouraged to alert the Clerk or Chair to issues in advance to the extent possible.

6. The clarification provided on queries raised at the meeting on 10 August, which has already been circulated through correspondence, is itemised in Appendix 1 to this report.

RECOMMENDATION

7. It is recommended that the Committee notes the position.

Local Government Access to Information Act 1985

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Background Papers:-

1. Audit and Scrutiny Committee Agenda – 10 August 2023 (Item 7- Internal Audit Progress Report)

APPENDIX 1

**CLARIFICATION SOUGHT AND CIRCULATED FOLLOWING MEETING ON 10 AUGUST 2023 ON INTERNAL AUDIT REPORT
ON COUNCIL TAX SYSTEM – RECOVERY AND ENFORCEMENT**

DATE OF MEETING AND ITEM	ITEM AND ISSUE(S) RAISED	CLARIFICATION
10 August <i>(Item 7)</i>	<p><u>INTERNAL AUDIT PROGRESS REPORT - APRIL TO JUNE 2023</u></p> <p>It was agreed to seek comments from appropriate officers on various issues regarding the implementation of the new Council Tax system</p>	<p>Clarification was provided on a range of issues (see Appendix A).</p> <p>In summary, it was highlighted that the past few years have been challenging for the Council Tax Team. They have delivered a new system, with both back office processing functionality and customer facing functionality (Council Tax online), achieving this during a pandemic when staff and the supplier were working remotely.</p> <p>The Team also required to deliver several other large projects, with no additional resource and negligible funding at a time of reduced budgets.</p> <p>Room for improvement has been recognised and audit actions are being progressed and on track for completion.</p>

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CLARIFICATION CIRCULATED

ISSUES RAISED	CLARIFICATION
<p>(1) Are the system reports non-standard to the software; if not, who is responsible for this; and why was this not anticipated upon planning for the software implementation?</p>	<ul style="list-style-type: none"> • System reports are standard and Business Intelligence functionality allows ad hoc reports to be developed. • Appropriate reports are produced every time recovery is run by the Team. • It has taken time for changes to be embedded and the Team have continued to learn how to use appropriate reports and what follow up action is required. • Reports are now believed to be sufficient and the audit action on this is closed.
<p>(2) Likewise for reports showing suppressed accounts and length of suppression.</p>	<ul style="list-style-type: none"> • A new report has been developed using Business Intelligence allowing suppressions to be identified in a more concise format than the standard report and the audit action on this is now closed.
<p>(3) Regarding lack of functionalities resulting in little or no monitoring in key areas, what was considered when weighing up different software options and was this identified at the time?</p>	<ul style="list-style-type: none"> • When the need for a change of system was identified, a full tender exercise was done. • Suppliers in the Revenues & Benefits area are limited (only 1 responded to the tender exercise). • NEC, the current supplier, is used extensively within the UK (19 Scottish Councils use this supplier for Revenues & Benefits). • Issues experienced within the Team related to stretched resource, system change, operational demands, and other Scottish and UK Government demands through the pandemic and cost of living crisis.
<p>(4) How does the Council's software implementation compare to other local authorities, and why change from what was used previously?</p>	<ul style="list-style-type: none"> • Change was driven by the previous Revenues & Benefits system, which was over 20 years old, coming to the end of its life, and its self-service options were limited. • The move to the new system was challenging due to a significant change and it taking place during a pandemic when most of the Team and the supplier worked remotely. • Despite these challenges, the back office system went live in December 2020 and Council Tax online went live in May 2022. • Education Benefits online went live in July 2022 and Benefits online in May 2023.

<p>(5) What benefits were expected to be achieved by moving to the new system?</p>	<ul style="list-style-type: none"> • The main benefit expected and being realised is from the customer facing (self-service) functionality, rather than back office processing. • Recent feedback from NEC (the supplier) highlighted that the Council is performing well and in the top quartile for customer facing statistics and engagement. • This has been noticeable at forum engagements with the supplier, where other councils (which have used the system for some time) are asking East Renfrewshire Council staff for input to their own system development • More than 6,000 residents have signed up to Council Tax online, and more than 50% of data is being processed through the online service.
<p>(6) Why have several recommendations made in the previous council tax audit on reductions and liabilities (May 2022) not been implemented?</p>	<ul style="list-style-type: none"> • As outlined, the Council Tax Team required to deliver a complex system change during a pandemic and subsequently had to support both Scottish and UK Governments:- <ul style="list-style-type: none"> ○ Autumn 2021 - Delivery of over 5000 Low Income Pandemic Payments for the Scottish Government on top of daily activity, with no new resource and negligible funding for administration; ○ Spring 2022 - Delivery of Cost of Living payments at short notice during the annual billing cycle (approximately 18,000 credits processed against Council Tax bills, requiring significant data analysis, new files and transactions); ○ Autumn 2022 - With no new resource or funding, significant work to enable the Environment Team to deliver the <i>Scotland Loves Local</i> gift cards (Approximately 4,500 cards delivered involving data analysis and engagement, particularly to resolve residents' queries); and ○ Spring 2023 - With no new resource and negligible funding for administration, the delivery of 2 types of Energy Support payments for the UK Government (although only around 100 payments were processed, this involved a time consuming new process requiring access to UK Government systems).
<p>(7) Further to (6) above, the revised timescale for this and if further follow-up work is to be carried out to ensure belated implemented?</p>	<ul style="list-style-type: none"> • The actions are in progress and on track for completion within the revised timescales.

<p>(8) What is the nature of the errors made on customers' accounts and are they recurring or similar across different accounts?</p> <p>(9) Are there any improvements to timescales for processing discounts and exemption applications arising from the transition to the new Council Tax administration software?</p> <p>(10) Have the new systems resulted in revisions to procedure notes?</p> <p>(11) Regarding procedure notes, is version control applied to identify updates and ensure staff are working to the most up to date ones?</p>	<ul style="list-style-type: none"> • The spreadsheet for this shows where an arrangement is in place with a customer to repay debt owed for Council Tax (at the time of the audit in April, 13 customers were listed (none were due to error). • Arrangements are entered into, either where there is severe hardship or could be where an error has resulted in a debt issue. • If an error is made, the Team learn from this with continuous improvement of processes a priority. <ul style="list-style-type: none"> • The main benefit is the introduction of Council Tax online. • This has resulted in target processing times for discounts and exemptions moving from 20 days (paper based) to 1 week (Council Tax online). <ul style="list-style-type: none"> • Yes, standard operating procedures have been developed (audit action on track). <ul style="list-style-type: none"> • Yes, audit action on this recognised and on track.
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