



Rutland County Council

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Minutes of a meeting of the **RESOURCES SCRUTINY PANEL** held in the Council Chamber, Catmose, Oakham, at 7.00 pm Thursday, 29 August 2013

PRESENT: Mr J M Lammie - Chairman (in the Chair)
Mr B A Montgomery
Mr J R Munton
Mr D L Richardson
Miss G Waller
Mr A S Walters

In attendance: Mr T C King Portfolio Holder for Finance and Places Asset Management
Mr M Pocock Portfolio Holder for Resources and Places Operations

Officers present: Miss M Gamston Democratic Services Officer
Mrs A Grinney Revenues and Benefits Manager
Mrs A Hawkins Accountant
Mrs D Mogg Strategic Director - Resources

Also present: Mrs J Clayton-Jones Chief Executive, Citizens Advice Bureau

Apologies: Mr G Condé, Mr W J Cross, Mr D C Hollis and Mrs C L Vernon

306 RECORD OF MEETING

The Record of the Meeting of the Resources Scrutiny Panel held on 30 May 2013, copies of which had been previously circulated, was confirmed and signed by the Chairman.

307 DECLARATIONS OF INTEREST

No declarations of interest were made in respect of the items on the agenda for this meeting.

308 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received from members of the public.

309 QUESTIONS WITH NOTICE FROM MEMBERS

No questions had been received from members.

310 NOTICES OF MOTION FROM MEMBERS

No Notices of Motion had been received from members.

311 CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO A CALL IN OF A DECISION

No matter was referred to the Panel for a decision in relation to call in of a decision in accordance with Procedure Rule 206.

312 CITIZENS ADVICE BUREAU PRESENTATION

A presentation was received on Welfare Reform Localisation of Council Tax Support from Jane Clayton-Jones, Chief Executive, Citizens Advice Bureau.

The following key points were highlighted:

- i) That the Welfare Reforms commenced in April 2013 continuing through to 2017;
- ii) That the changes to housing benefit had resulted in a 14% reduction in benefit for one extra bedroom and a 25% reduction where there were two or more extra bedrooms;
- iii) There were approximately 1400 claimants of housing benefit in Rutland;
- iv) There was a shortage of smaller housing stock to move into in Rutland;
- v) That under 35 year olds received a room rate only;
- vi) That there is a discretionary housing payment available to bridge the gap;
- vii) Personal Independence Payment – the Disability Living Allowance (DLA) would ultimately be replaced. 1 in 6 of those currently receiving DLA would not qualify in the future;
- viii) Employment Support Allowance was to be limited;
- ix) Localised Welfare Assistance would result in the ending of Crisis Funds. There had been an increase (74%) nationally in food banks;
- x) Benefit Level Cut – benefits capped at 10%;
- xi) Localised Council Tax Support (LCTS) – new scheme. The cumulative effects of the changes to council tax benefit had not necessarily hit everybody. In the last year of full council tax had dealt with nearly 700 enquiries relating to council tax sorting out benefits. This year as there was no benefit, not making claims therefore no direct comparison available. Welfare Reforms enquiries had risen steadily percentage wise, accounting for over 40% of enquiries received locally and 37% nationally;
- xii) Is LCTS going to the right people? – Looked at principles should be directed at those in greatest need; tension between principle and those of working age and not in employment, less chance of any flexibility in budget;
- xiii) Recovery action – could be worth considering alternative debt recovery action around those not paying. The cost of a Liability Order through the court was £65; could owe £225 + £65 would result in a substantial increase in amount owed. If on benefit £3.60 per week was the maximum that could be collected;
- xiv) Discretionary Housing Payment – working really well. Bridges gap between extra bedroom where someone cannot move and does not have the income to cover the reduction in benefit. £23,000 allocated to the fund, £13,000 spent up to July 2013;
- xv) Universal Credit – will be replacing all means tested benefit and tax credits. Paid to people both in and out of work; low paid will be most severely affected;
- xvi) The Local Government Association and the Centre for Economic Social Inclusion state that income of households claiming benefits will decrease by £1,600 a year by 2015/16; and that four out of five will need some form of assistance from their local authority;
- xvii) That in Rutland it will probably take 6 to 12 months for the full impact to hit household finances;
- xviii) That it might be slightly too early to make long term decisions on support.

The following points were noted during the discussion:

- i) That claimants seeking the Job Seekers Allowance would be required to inform the Department of Work and Pensions whether or not they were actively seeking employment;
- ii) That the Council set the criteria for the Discretionary Fund and assessed applications. The CAB would advise whether a claimant met criteria but the Council made the ultimate decision;
- iii) That wages are low in Rutland;
- iv) That there are twice as many people self employed in Rutland as the average for the East Midlands;
- v) That there is a misconception that Universal Credit is going to be easier than existing schemes. Because of the way it will interact with Child Benefit, etc. some households will be getting less;
- vi) That on a low level of income a slight deficit could affect a child's quality of life;
- vii) That a measure of social deprivation is how well an individual can interact within society. This is high in Rutland.

The Chairman, Mr Lammie, thanked Mrs Clayton-Jones on behalf of the Members.

SCRUTINY

313 LOCALISATION OF COUNCIL TAX SUPPORT (LCTS) UPDATE REPORT

Report No. 190/2013 from the Strategic Director for Resources was received.

The Strategic Director for Resources, Mrs Mogg, introduced the report, the purpose of which was to present an update of the current council tax support scheme and to provide an initial view about whether the scheme should continue in its current format for 2014/15.

The following points were noted during the discussion:

- i) That a report on the Local Council Tax Support Scheme for 2014-15 was to be taken at Cabinet on 1st October;
- ii) That Section 4 of Report No. 190/2013 contained a review of the scheme to date against the principles agreed by Council. As with other local authorities who were reviewing their schemes, the Council had limited information to work with;
- iii) That the table included in 4.7 of Report No. 190/2013 provided a summary of the analysis;
- iv) That the scheme was operating as intended;
- v) That the deadline for any changes to the scheme was January 2014 to allow for the budget setting process. It was acknowledged it was difficult to assess the situation after half a year; to date claims had been low but that would not necessarily be the case at the end of the financial year;
- vi) Concern expressed that national changes to the benefit system and the Disability Living Allowance could have a profound effect;
- vii) In response to a query concerning the fact the Magistrates Court was unable to hear any cases for Rutland at Court on 28th June 2013 Members were advised that Rutland had successfully obtained one Liability Order on 26th July 2013. The Court service had been overwhelmed by the number of cases to be heard however the problem had been addressed;
- viii) Members were informed that the majority of recovery actions available to

- the Council were laid down in statute and that to date the Council had not considered an alternative method of recovery;
- ix) That at present it was not possible to provide further analysis of the 83% who had paid 2 instalments or more as the software provider was not geared up for this information. An update of the software had been requested;
 - x) That information available showed that new tax payers were not paying as well as existing tax payers;
 - xi) That welfare reform next year would be the biggest pressure of the Scheme;
 - xii) That the overall question was the ability to fund: should the Council fund the gap between the fixed and discretionary support as there was likely to greater need for support during the term of the Medium Term Financial Plan;
 - xiii) That it was too early in the Scheme for trends to be apparent therefore the scheme should continue to run as at present and be reviewed in 12 months.

AGREED

- 1) The Panel noted the contents of Report No. 190/2013.

314 QUARTER 1 PERFORMANCE MANAGEMENT REPORT

Report No. 169/2013 from the Chief Executive was received.

The Strategic Director for Resources, Mrs Mogg, introduced the report the purpose of which was to report to Cabinet on the Council's performance for the first quarter of 2013/14 and the year to date.

The following points were noted during the discussion:

- i) That the report now contained comparator information, as requested by the Resources Scrutiny Panel;
- ii) That there had been a significant drop in the number of days lost to sickness;
- iii) That the Customer Services Team would be transferring to the Resources Directorate from 1st October 2013. An improvement in performance had been seen in quarters one and two due to measures implemented. An extra member of staff had been recruited and a temporary post recruited to. A wider review of how staff interact with customers was planned;
- iv) Corporate Health Indicators highlighted were:
 - a) LI003 - % of audit recommendations implemented within the original timescales – there were 7 overdue outstanding audit recommendations at the end of quarter 1. Details were provided in paragraph 4.14 of Report No. 169/2013.
 - b) LI004 - % of FOI requests replied to within 20 days – there were 173 FOI requests due to be answered during this quarter (compared to 162 in Q4). 71.6% (124) were answered within 20 days in Q4. 18 were replied to outside of 20 days. Members were informed that the Democratic Services team were undergoing a period of change and would be merging with another section; some of these changes were impacting on the indicators.
- v) LI022 – Benefit claims – speed of processing – target is to process all new benefit claims within 22 days. Quarter 1 performance was 25 days,

- due to an increase in applications for discretionary support and the new welfare crisis payments. This had impacted on processing times. The backlog of applications had now been cleared;
- vi) LI029 – % of sundry debt recovered – significant repayments had now been received;
 - vii) LI007 - % of the RCC workforce are aged 16-24 – 1.76% - national statistics show that people do not wish to enter local government although university sectors were geared towards;

AGREED

- 1) The Panel noted the contents of Report No. 169/2013.

315 QUARTER 1 FINANCIAL MANAGEMENT REPORT

Report No. 177/2013 from the Interim Strategic Director for Resources was received.

The Portfolio Holder for Finance, Property, Development Control, Planning Policy, Economic Development and Tourism, Mr King, introduced the report, the purpose of which was to inform Cabinet on how the Council is performing against its revenue and capital budgets and report a forecast year and outturn position as at the 30 June 2013.

The following points were noted during the discussion:

- i) That Cabinet had welcomed the changed format of the quarterly monitoring report;
- ii) That the Council was on track to achieve its budget targets;
- iii) That some of the recommendations had been modified by Cabinet to be recommendations to Council;
- iv) That the Director and Assistant Director for Resources had worked on the Medium Term Financial Plan (MTFP) following the most recent announcements on government funding. The Local Government Association indicated that this would be a cut of 14%; the implication for Rutland was 14/15%;
- v) That the Heseltine Challenge for funds to Local Enterprise Partnerships had resulted in funding of £2bn;
- vi) That there was a cut in the New Homes Bonus (NHB) to Local Government however Rutland was heading towards being in the above average category. The Council had lowered its expectations and from 2015/16 could expect to lose 35% of its NHB allocation;
- vii) That the proposed figures in the MTFP showed a significant deficit for 2015/16 therefore there was a need for the Council to evaluate services and set a marker for the future;
- viii) That the view of Cabinet was that the early problems were approached the less severe any cuts would have to be; that the sooner any readjustments to the MTFP were made the less damage would be done overall;
- ix) With the current proposed figures for 2018/19 the Council would have to double its retained Non-Domestic Rates to cover the deficit;
- x) That due to level of Reserves held the Council has time to reduce the rate of loss and review funding arrangements.

AGREED

- 1) The Panel noted the contents of Report No. 177/2013.

316 STRATEGIC RISK REGISTER

Report No. 194/2013 from the Chief Executive was received.

The Strategic Director for Resources, Mrs Mogg, introduced the report the purpose of which was to report to update the Resources Scrutiny Panel on the current status of the Risk Register.

The following points were noted during the discussion:

- i) That the risk identified remained unchanged;
- ii) Risk Ref 10. Significant business interruption – Recovery arrangements in place with Rutland County College provided for fifty members of staff. Back up generators at Oakham Enterprise Park required servicing; could consider relocating to Catmose however would need to be able to connect these into the power source.

AGREED

- 1) The Panel noted the contents of the risk register and the actions underway to address the risks.

317 EXCLUSION OF PUBLIC AND PRESS

It was

RESOLVED

- i) That the public and press be excluded from the meeting during discussion of the following business in accordance with Procedure Rule 239 (Exclusion of Access by the Public and Press)
- ii) That any elected Members present who were not members of the scrutiny panel be allowed to remain during consideration of the following exempt business in accordance to the access to information provisions of Procedure Rule 239.

318 NON-DOMESTIC RATES DISCRETIONARY RELIEF POLICY

Report No. 192/2013 from the Strategic Director for Resources was received.

The Portfolio Holder for Finance, Property, Development Control, Planning Policy, Economic Development and Tourism, Mr King, introduced the report, the purpose of which was to present Cabinet with the updated Non-domestic Rates discretionary relief policy and seek comments prior to reporting to full Council for approval.

The following points were noted during the discussion:

- i) That Report No. 192/2013 Non-Domestic Rates Discretionary Relief Policy was to be taken at Cabinet on 3rd September 2013;
- ii) Paragraph 5.3 of Report No. 192/2013 explained that where LEA schools became academies they were eligible for mandatory relief and could also apply for discretionary relief;
- iii) That Report No. 192/2013 detailed where the scheme operated;
- iv) That Appendix B to Report No. 192/2013 detailed organisations that may

be affected by the proposed policy (attached at Appendix A to Report No. 192/2013);

- v) That the suggested change in policy was to ensure that discretionary relief was managed;
- vi) That the Council needed to consider whether an organisation was meeting a local or national need; if nationally should the Council be supporting locally;
- vii) Concern expressed that small volunteer based organisations may miss out if turnover used as a criteria. Members were advised that where, for example, a sports club was community registered it was automatically entitled to mandatory relief; if not registered could apply to the Council for non-profit making status. Not many applied for registered status which made the process easier;

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8.30 pm Mr Montgomery left the meeting and did not return

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PROGRAMME OF MEETINGS AND TOPICS

319 REVIEW OF FORWARD PLAN

Suggestions for a Task and Finish Group, under the remit of the Resources Scrutiny Panel, were invited.

The Chairman, Mr Lammie, undertook to email the request to Members not present at the meeting.

320 REVIEW OF RISK REGISTER

Members held no discussion on this item, due to the Strategic Risk Register presentation earlier in the meeting.

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8.43 pm Miss Waller left the meeting and did not return

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321 ANY OTHER URGENT BUSINESS

IT - Member Provision

The Strategic Director for Resources, Mrs Mogg, reiterated her apology for any confusion caused and the lateness of information to Members.

Members are being offered the choice of a laptop or PC plus the option of a Blackberry to give greatest versatility for Members. The IT Team had been in contact with Members to establish needs; four were outstanding.

Background: The GCSX system standards had been set by Central Government to enable exchange of information with other agencies. There was a requirement for

an Annual Compliance Statement, for which standards were ever increasing in terms of security. There is a PSN requirement around unmanaged equipment (personal). This was the most disruptive change as the Authority could not allow use of personal equipment. A lot of exchange over the changes had taken place with the Cabinet Office; clarification had been received on 6 August 2013 and tested on 7 August 2013, this being planned downtime. In process of rollout of new equipment in line with Cabinet expectations.

All councillors will be compliant with standards required by the Cabinet Office.

For future changes Officers would look to involve Members at an earlier stage.

It was noted that the GCSX was a high security system and that the .gov.uk address was adequate for non secure items. However, it was cheaper for the Authority to use the one operating system. Also avoided the risk of information getting outside of the secure system.

Members were requested to feedback on any requirements that IT were not aware of.

322 DATE AND PREVIEW OF NEXT MEETING

7 November 2013 – Special Meeting – HR Review, Staff numbers, Communications Paper

12 December 2013 – Quarter 2 Reports, Strategic Risk Register, Customer Services Review

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The Chairman closed the meeting at 9.01 pm

Chairman