

CORPORATE SCRUTINY AND PERFORMANCE PANEL

Thursday 30th August 2007 at 6.00 p.m.

Panel Members present Councillor M. Longhi (Chair)
Councillor M. Bird
Councillor T. Oliver
Councillor J. Rochelle
Councillor H. Sarohi
Councillor C. Towe
Councillor D. Turner

Also present Councillor P. Smith

Officers present James Walsh – Assistant Director, Finance
Sharon Tait – Head of Revenues
Ian Jones – Revenues & Benefits Welfare Rights
Team Manager
Simon Evans – Principal Performance & Scrutiny
Officer
Craig Goodall – Scrutiny Officer

10/07 APOLOGIES

Apologies for non-attendance were submitted on behalf of Councillor J. Phillips.

11/07 SUBSTITUTIONS

The following substitution(s) to the panel were submitted for the duration of the meeting:-

- Delete: Councillor Phillips
- Substitute: Councillor Oliver

12/07 DECLARATIONS OF INTEREST AND PARTY WHIP

Councillor T. Oliver declared a personal interest in item 6.

13/07 MINUTES OF PREVIOUS

Resolved

That the minutes of the meeting held 21 June 2007, copies having previously been circulated, be approved as a true and accurate record.

(annexed)

14/07 FORWARD PLAN

The forward plan as at 9 August 2007 was submitted.

(annexed)

Resolved

That the forward plan be noted.

15/07 INSTITUTE OF REVENUES RATING AND VALUATION

Sharon Tait gave a presentation to the Panel on the findings of the IRRV investigation.
(annexed)

The Panel discussed the report on the 'Options for the Administration of the Welfare Rights Service (WRS)' completed by consultants from the Institute of Revenues Rating and Valuation (IIRV).

The Chairman commented that he had no concerns about the recent change in Prime Minister nor the tightening of public finances and the perceived instability this brings referred to in the IRRV report. As identified in the report the Council needed to decide what services it wanted to deliver in terms of Welfare Rights Service (WRS) and then decide the best way to do this. This work could be completed with no concern for outside influences.

The Chairman reported that a letter had been sent to all Members of the Panel from the *Unite* Trade Union. The letter raised a number of issues and supported the creation of a Trust for the WRS. It was agreed that a reply would be sent to *Unite* in response to the points raised in the letter. A copy of the letter is attached at Appendix 1

Several Members were of the view that the report had not investigated the potential success or otherwise of the WRS becoming a trust at Walsall. Moreover it had proposed a series of new questions which left the perception that no progress had been made.

A Member referred to page 35 of the report which showed the total budget for the WRS in 2007/08 as £404,323. This was down from over £600,000 in 2005/06. In response to a question, Sharon Tait confirmed that the reduction in overall budget had not been to fund the processing of backlogged benefits claims. This had been financed directly by the Department for Work and Pensions.

It was suggested that the WRS should become a Trust and include Neighbourhood Community Officers (NCO's) and Third Sector organisations in a phased approach. This would help to reduce duplication of resources across the piece as, for example, it could be expected that NCO's would be calling on similar people to the WRS.

Sharon Tait recommended that a phased approach to a Trust where NCO's and Third Sector providers were added into the Trust as it grew could create a huge administrative burden. It would be wiser to plan to incorporate those services into a Trust from the very outset to avoid later reconfigurations. If a Trust was chosen the job descriptions for current WRS staff would need to be revised as currently they included work encompassed by the Revenues and Benefits Service.

James Walsh felt that the proposed phased approach was similar to the proposals contained in the report.

In response to a question Ian Jones hypothesised that approximately 75% of people assisted by the WRS were elderly.

A Member felt that there were many strengths in pursuing Trust status and that Government policy was directing local authorities to find new ways of delivering services in partnership with the third sector. There were many times that Trusts were not a desirable style of completing business but as this was a service specific area within a definable area then this increased the chances of a Trust being successful. Councils were not always the most cost efficient way of providing services. He added that whilst he was frustrated with the length of time it had taken to progress to this stage he welcomed the direction towards Trust status.

The Chairman informed the meeting that a clear business case to convert to Trust status was still lacking. Clear facts and figures were required before the Panel could recommend the formation of a Trust.

Members feared that as a non statutory service the WRS was vulnerable to budget cuts. Especially in the current climate of budget reductions and efficiency savings. It was felt a Trust would be less vulnerable to these pressures which would allow this valuable service to the people of Walsall to continue and be expanded.

There was discussion between members as to whether the recommendations contained in the report should be implemented first and then consider a phased approach to becoming a Trust later on.

Sharon Tait commented that the formation of a Trust would not automatically create increased activity. Whilst more funding streams may be open to a Trust there was no guarantee that any bids would be successful nor what areas these grants would require the Trust to concentrate on.

Members commented that if the Council provided a core budget to the service each year like it currently did then the independence created by the Trust would open up a wide range of other potential funding as indicated in the IRRV report. The Councils contribution could be open to negotiation each year as if it was still an in house service, however, Members felt that a long term funding arrangement of at least five years would be beneficial.

It was suggested that it be recommended for Officers to investigate what services could be provided by a Trust. The investigations should include the potential to include NCO's and Third Sector providers in the Trust. The first stage of delivery on the Trust should be ready to be implemented by April 2008.

Sharon Tait expressed concern about the tight time scale proposed.

The Panel was informed that the changes proposed could be achieved without converting to a Trust.

It was commented that a number of years ago a similar scenario existed with the Citizens Advice Bureau (CAB) which had seen its budget reduced year on year until the service was converted into a Trust. Members were concerned that if the WRS was not converted into a Trust then its budget would dwindle and the service eventually cease to exist.

A Member stated that the CAB had seen its budget cut year on year and that this year they had been forced to make some very uncomfortable decisions. He warned against no central funding as discretionary funding was not guaranteed

Ian Jones commented Sandwell had appointed a Trust to deal with work similar to the WRS. This authority was on target to attract nearly £1 billion of benefits and funding over the next ten years.

Members appreciated the importance of planning in the creation of a Trust and requested that additional work be completed by Officers on the necessary steps required to transform the WRS into a Trust including the possibility of introducing NCO's and Third Sector providers into the Trust in phases. It was requested that the first phase of this work should be completed with the intention of being able to implement the Trust during April 2008.

Resolved

That the Panel believe a Trust is a viable option to consider and request officers to complete the necessary investigations, including the formation of a business case, required to create a Trust from the existing Welfare Rights Service by April 2008:

- (a) Identify the services that are currently being delivered and, what potentially could be offered, by the Welfare Rights and Fairer Charging teams
- (b) Review what other similar services could be integrated into the Trust including but not only Neighbourhood Community Officers
- (c) Work with Third sector organisations to ensure there is no duplication and cross-over of activities

It was also resolved that:

- (d) Councillor M. Longhi advise Officers formulating the business plan;
- (e) a response be sent to the letter received from *Unite* Trade Union and copied to all Members of the Panel;
- and;
- (f) a briefing note be prepared for Council on the progress made with the investigations into the creation of a Trust for the Welfare Rights Service.

16/07 UPDATE FROM PROCUREMENT WORKING GROUP

Members considered the initiation document that had been prepared at the first meeting of the working group.

The Chairman commented that procurement was an issue of huge strategic importance for the Council. With this in mind he expressed his disappointment that only two Members of the working group attended its first meeting.

Members noted the benefits gained from procurement techniques such as e-auctions and the importance of a thought out approach for procurement in schools.

Members wanted no involvement, unless specifically invited, of the Portfolio Holder in their working groups. The Chairman emphasised that all Portfolio Holders were however welcome at all formal Panel meetings.

Resolved

That (a) the initiation document for the Procurement Working Group be approved;

and;

(b) Councillors Bird, Sarohi and Turner be appointed to the Working Group.

09/07 DATE OF NEXT MEETING:

The date of the next meeting was confirmed as 25 October 2007.

The meeting terminated at 8.17 pm.

Chair:

Date: