

AT A MEETING  
- of the -  
**REVENUE AND BENEFITS**  
**WORKING GROUP** held at the  
Council House, Walsall on  
**10 July 2006** at 6.00pm

PRESENT

Councillor Towe (Lead Member)  
Councillor Bird  
Councillor Griffiths  
Councillor Phillips  
Councillor Sarohi  
Councillor D. Shires

OFFICERS IN ATTENDANCE

Sarah Homer (Assistant Director - Strategic Transformation)  
James T Walsh (Assistant Director, Finance)

SCRUTINY SUPPORT

Stuart Bentley (Scrutiny Officer)

1/06. APOLOGIES

There were no apologies for this meeting.

2/06. KEY DISCUSSION ITEM

Councillor Towe welcomed everyone to the meeting and invited Sarah Homer to talk the group through the cabinet report.

Sarah Homer explained the reasons for the advance in the decision making process and gave an overview of what was meant by the term 'mixed economy'.

Councillor Bird stated that he felt something was missing from the options appraisal and referred to the excellent work of the former anti-poverty unit before highlighting that Sandwell were currently receiving £17.5m per annum for their service as opposed to the £2.5m in Walsall. He had been informed that this may be due to the charitable status of the service in Sandwell and he felt that this might be an option, not explored in the appraisal, for Walsall.

James Walsh replied that the options appraisal ruled nothing out, so that a charitable trust status may be an option moving forward.

Councillor Bird appreciated that, but wished to make sure that things were not ruled out at cabinet.

Councillor Towe asked for confirmation that cabinet would make a decision on one of the options to move forward, but not on the detail of how this would be achieved at this stage. Therefore, scrutiny could look at what were core / non-core for the service.

Sarah Homer confirmed that this was the case.

Councillor Phillips stated that he was interested in the option of a charitable status, but there would be a need to look at the relative resources of Sandwell and Walsall in order to assess if the approach would be beneficial to Walsall. He further highlighted that the £17.5 m was also made up of central government funding streams brought in due to increasing the numbers actively claiming benefit in the borough. Therefore, enabling greater benefit uptake is actually an investment in order to open further revenue streams. He then stated that the only option to retain the service was the 'do-nothing' option. There was nothing in the report about moving the service forward in house. He asked whether the £400,000 would be available if an in house option were chosen, and would the council be looking at that level of investment in any case. In the latter case, could there be a case for retaining the service with the increased funding option to move forward. He then asked if the officers new of any council where a mixed economy service had proved successful.

Sarah Homer replied that the 'do nothing' option was a slight misnomer as the service had already made great strides forward and would continue to improve. However, to achieved the required level of service within a period that would satisfy the Benefit Fraud Inspectorate (BFI), a step change in performance was needed that the service may not be able to make. She also stated that data indicated that outsourcing of core services did not improve performance, but that the idea was to look at the possibility of outsourcing non-core services that would free capacity to improve the core service.

Councillor Phillips asked if the money allocated to the mixed economy option would be available for an in-house solution. He also asked whether the mixed economy option had proved successful elsewhere.

Sarah Homer replied that she would have to clarify the financial state and that she did not have the data for other council services performance with her at this meeting.

Councillor D.Shires stated that she felt that this was a typical piece of Walsall consultation, which did not actually give any real choices. She agreed with councillor Phillips that the money should be made available regardless of a mixed economy approach.

James Walsh replied that the options appraisal outlined the best option available at this stage.

Councillor D.Shires asked if there was an example of best practice for benchmarking.

Councillor Towe stated that there was some benchmarking shown in the appraisal report but no indication as to which councils they were.

Sarah Homer replied that the full report did incorporate a significant benchmarking content and that the councils investigated were high performing.

James Walsh stated that the context of the forthcoming BFI report had to be borne in mind. The report is likely to be critical and, therefore, to avoid an intervention the council needs to be putting plans into action. The best option might take 2 years to put in place, so the council needs to be looking at what is the best option now.

Councillor Bird stated that this should be made clear to cabinet.

Councillor Griffiths stated that outsourcing would cost money and scrutiny should have been given time to consider this in more detail.

James Walsh stated that the aim of this working group was to help decide what the service would look like going forward. The mixed economy option does incorporate the possibility of keeping the service in-house.

Councillor Towe replied that he was now relatively comfortable with the position.

Councillor Bird stated that cabinet should be advised that the decision should be subject to scrutiny looking closely at the options within the mixed economy model.

Councillor Phillips stated that he was not happy with the report and that scrutiny should be involved before the decisions are made. He felt that this was a problem with the process. He further stated that it was quite right that short and long-term options should be investigated and that the council should look at some quick wins with regards to the BFI report, but that then emphasis should be placed on how best to develop the service.

Councillor Bird stated that the mixed economy option would appear to tick all the boxes but he felt a recommendation needed to be added that would give scrutiny authority to investigate further the details of the preferred option.

James Walsh confirmed that cabinet would decide on the broad approach for service development at this stage and any further detail would have to be taken back to cabinet later.

### Resolved

That the Revenues and Benefits Working Group;

- express their disappointment that they could not consider the options appraisal in detail, although they recognise the need for action in this case.

- recommend that cabinet give scrutiny authority to investigate the details of the service re-configuration arising from the preferred option model.

#### TERMINATION OF MEETING

There being no further business, the meeting terminated at 7:20 pm.