

CORPORATE SCRUTINY AND PERFORMANCE PANEL

Tuesday, 11 September, 2012 at 6.00 p.m. in a Conference Room at the Council House, Walsall

Panel Members Present

Councillor M. Flower (Vice-Chair)
Councillor G. Illmann-Walker
Councillor J. Rochelle
Councillor R. Worrall

Portfolio holders present

Councillor Mohammed Arif – Business and Support Services
Councillor Chris Towe – Finance and Personnel

Officers Present

Rory Borealis - Executive Director (Resources)
Paul Milmore - Head of Business Solutions
Steph Simcox –Finance Manager
Mushtaq Hussain - Revenues & Benefits Business Development Manager

151/12 APOLOGIES

Apologies were submitted on behalf of Councillors S. Coughlan, D. Shires and D. Turner.

152/12 SUBSTITUTIONS

There were no substitutions.

153/12 DECLARATIONS OF INTEREST AND PARTY WHIP

None received.

154/12 MINUTES

Resolved

That the minutes of the meeting held on 19 July, 2012, a copy having previously been circulated, be approved as a true and accurate record.

155/12 LOCALISED COUNCIL TAX SUPPORT SCHEME

Members considered a report setting out the options for a localised council tax support scheme. It was advised that government funding was expected to be £3.3 million less than funding received for the existing council tax benefit scheme. Failure to implement a local scheme would result in the government imposing the default scheme.

Three options were outlined as follows:-

- Option 1** – Apply a cap on the maximum liability eligible for localised council tax support. This option is the simplest to implement and will fully deliver the 10%+ reduction in grant but it impacts on all the working aged customers, a significant number of whom (14,614) do not currently pay council tax.
- Option 2** – Again, applying a cap on the maximum liability for localised council tax support with protection for a number of vulnerable groups. This option offers protection from the reduction in benefit for a number of groups. Which groups these are would be subject to councils to decide. The council can chose to fund the protection costs by savings and efficiencies elsewhere, or pass the reduction in collectable income to the remainder of the working aged customers.
- Option 3** – Fully fund the reduction in grant from other council efficiencies, savings or other income streams, and adopt the current council tax benefit scheme rules. This option is the most feasible solution to implement given the time constraints.

Officers advised that the option 3 would enable the council to develop a more considered scheme for 2014/15 onwards. Cabinet were to consider and agree an option on 12 September, 2012 and any views of the Panel would be presented to that meeting. Once an option had been agreed upon by Cabinet an 8 week public consultation period would follow which would allow further opportunity for the Panel to consider the proposal.

It was reported that pensioners, which amounted to over 46% of Walsall Council's current caseloads and expenditure were due to be protected by law. This would mean that working age customers would have to bear a 20% cut in benefit. This could increase if other vulnerable groups were protected in future.

Discussion ensued on the level of consultation to be undertaken. Officers advised that a thorough consultation process would be carried out involving social media, area managers, community groups and distribution of leaflets. Costs of consultation were included as part of the £80k received from Government.

Councillors considered the options as presented. It was suggested that a working group be established, should option 3 be agreed at Cabinet, to develop proposals for a new scheme in 2014/15. It was further suggested that an update be provided to the Panel's meeting on 23 October, 2012.

A period of questioning followed during which a breakdown, showing the number of staff in receipt of council tax benefits, was requested. Officers advised that this information would be circulated. In response to a query regarding the proposed software provider for the new council tax system it was reported that Northgate had been appointed by Government. It was asked whether the impact of a medium to large business closing down, resulting in a large number of redundancies, was taken into account when agreeing a scheme. Members were advised that the 3.3 million included an estimated 8% increase in clients. It was estimated that clients would increase between 3 and 10% year on year.

Concern was expressed that any future changes to the benefit system could increase reliance upon payday loan companies. Officers shared the concerns of members advising that over 70 organisations had made representation about the issue to Government.

Further concern was expressed as option 3, in which the Council fully funded the reduction was not sustainable. It was confirmed that the Council would need to make decisions about future priorities in relation to spend as alternate savings would be required in order to sustain option 3 in future.

Resolved

- i) That a working group to consider options for the future of localised council tax support for 2014/15 onwards be agreed in principle;
- ii) That Cabinet be informed that the Panel support adopting option 3 Fully fund the reduction in grant from other council efficiencies, savings or other income streams, and adopt the current council tax benefit scheme rules
- iii) That a further report on Localised Council Tax support be considered at the next meeting of Corporate Scrutiny Panel on 23 October, 2012.

156/12 QUARTER 1 FINANCIAL MONITORING POSITION FOR 2012/13

Members considered the quarter 1 financial monitoring position for 2012/13 for services within the remit of the Corporate Scrutiny and Performance Panel.

An underspend of £339K was projected, after the use of approved reserves and carry forwards.

Clarity was sought on Central Costs as 90% of the budget had been spent within the first quarter. It was asked whether this would result in an overspend by the end of the financial year. In response, it was stated that central costs related to the corporate core and included costs such as Members allowances and treasury

management. Slightly more had been spent during the first quarter; however it was not anticipated that this would affect the year end position.

A question followed on the use of reserves to which it was stated that the use of reserves was planned and not unexpected.

In relation to a question on the budget for 'Delivering – Right Fast and Simple' it was stated that a significant portion of this budget had been assigned to renewing the Human Resources Trent system. However, all proposed spend on technology has been challenged so some of the £794k assigned for this purpose may no longer be needed.

In relation to reasons for variance within the budget, further detail was sought in respect of the 40k one off compensation costs within Human Resources. Officers advised that this was a severance payment to an individual.

A further question followed on the amount of funding received to undertake the Police and Crime commissioner elections. The Executive Director (Resources) agreed to circulate this information.

Members thanked Steph Simcox, who was leaving the Council to take up a position in another Council, for her services to the Panel throughout her career.

Resolved

That the 2012/13 forecasted year end financial position for services under the remit of the Panel be noted.

157/12 FORWARD PLAN

Resolved

That the forward plan be noted.

158/12 DATE OF NEXT MEETING

It was noted that the next meeting of the Panel would take place on 23 October, 2012 at 6.00pm.

There being no further business, the meeting terminated at 6.50 p.m.

Signed:

Date: