

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE OVERVIEW AND SCRUTINY BOARD**

**18TH AUGUST 2014 AT 6.00 P.M.**

PRESENT: Councillors L. C. R. Mallett (Chairman), H. J. Jones (Vice-Chairman), C. J. Bloore, R. A. Clarke, S. R. Colella, B. T. Cooper, R. J. Laight, R. J. Shannon, S. P. Shannon, C. J. Spencer, C. J. Tidmarsh and M. A. Sherrey

Observers: Councillor M. A. Bullivant, Councillor R. L. Dent and Councillor C. B. Taylor

Invitees: Councillor M. A. Sherrey

Officers: Ms. J. Pickering, Ms. A. De Warr, Mr. D Riley and Ms. A. Scarce

30/14 **APOLOGIES**

Apologies for absence were received from Councillors J. S. Brogan and P. Lammis.

31/14 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

Councillor S. R. Colella declared an other disclosable interest in respect of item No. 3 as his father was in receipt of particular benefits under his acute care package. The Executive Director, Finance and Resources confirmed that the dispensation signed in respect of the Council Tax would cover this item.

32/14 **COUNCIL TAX SUPPORT SCHEME REVIEW**

The Chairman provided background information as to why the special meeting of the Board had been called. He explained that following the last full Council meeting this item had been referred back to Cabinet. However, Councillor C. J. Bloore had subsequently contacted the Chief Executive and following discussions with the Leader, it had been agreed that this meeting take place, together with a special Cabinet and full Council meeting on 20<sup>th</sup> August 2014. It was confirmed that any recommendations from the Board would therefore be considered at that Cabinet meeting.

The Executive Director, Finance and Resources presented the report and explained that she would break this down into three areas; the timeline, costs of the aborted consultation and the revised consultation, taking questions between each section. During the presentation of the report the following areas were highlighted:

- The Local Government Finance Act 2012 required each billing authority to consider whether to revise its scheme or to replace it each financial year.
- Consultation was only statutory with preceptors and this was a Cabinet decision, the final decision on a proposed scheme would be taken by full Council as this would be a formal change to the budget and policy framework.
- In September 2012 Cabinet received a report explain the changes to the Council Tax Benefit Scheme and its replacement with the Council Tax Discount Scheme, with a reduced level of Government funding.
- This was then followed with an 8 week “soft touch” consultation period through the press, Customer Service Centre and letters to BDHT, Parishes and Precepting bodies. One response had been received.
- Further reports and a verbal update was received by Cabinet in January and July 2013 when details of the projected financial shortfall for 2014/15 for the Council Tax Support Scheme was provided. The detail was agreed at the July 2013 full Council meeting and Members were provided with the specific minute, which it was noted did not state the financial year it related to.
- Following this Officers had assumed that Members would be reviewing the scheme again for 2015/16. Again, the agreement to go to consultation on this basis would be a Cabinet decision, the results of which would go back to Cabinet and Council to agree a final scheme.

Members raised the following points in respect of the timeline:

- The confusion which had occurred at the recent full Council meeting and whether Officers had been aware that the item was likely to cause a problem.
- Any pre meeting discussions which were carried out between Officers and the Leader/relevant Portfolio Holder.
- The item was “resolved” in the Cabinet minutes and therefore it was not anticipated that there would be an issue.
- The potential “increase” in Council Tax which any changes would cause for, in many cases, some of the most vulnerable residents in the District. Officers explained that this was due to a change in legislation and an opportunity to develop a scheme and to consider reducing Council Tax discount.

The Head of Customer Access and Financial Support provided an estimate of the cost of the abortive consultation including the cost of the additional meetings and relevant paperwork which had been incurred. It was explained that there was a “New Burdens” grant which the Council received specifically to fund any costs associated with the implementation of a Localised Council Tax Support Scheme (currently this had covered the cost of upgrading the software) and as there was current a balance within this, the costs of the abortive consultation would be borne from this. The Council would also receive a separate administration grant for the scheme.

Whilst there had been no terms and conditions attached to the New Burdens grant it was understood that a requested had recently been received from the relevant Government Department asking for specific information under various categories as to how the monies so far had been spent and there was therefore the possibility that if the Council did not implement any changes and did nothing then the funds would have to be re-paid.

The Head of Customer Access and Financial Support explained that in terms of the consultation there were a number of stages to go through prior to the draft scheme being drawn up. There was a statutory duty to consult with the other precepting authorities, then the draft scheme would be published with a further consultation on that draft with persons likely to have an interest in the scheme. Officers had felt that a preliminary public consultation, although not statutory would be a valuable way in gaining feedback and customer insight.

Details of the proposed initial consultation were provided and it was confirmed that the 5,000 households had been randomly selected from the Council Tax data base, this equated to about 12.5% across that data base. It was believed that this would provide a cross section of the community, including those in receipt of support and those that were not. The Council was also required to protect those of pensionable age regardless and still liable for Council Tax and these would be included within the random sample. Copies would also be available through the Customer Service Centre and BDHT and an online survey would also be set up, with signposting for anyone who preferred a paper copy. The resolution had been to undertake that consultation and then a further report summarising the responses and any draft scheme would have been provided to Cabinet. The second stage would be a further consultation but with a "lighter touch" inviting comments on that draft scheme. Again, going back to Cabinet with the final results and recommendations to be considered at full Council.

Members were informed that there was 3 principles which needed to be followed when advising on a scheme. These were those of pensionable age to be protected on 100% support, should be an incentive to work and there should be measures in place to protect the most vulnerable, for example through a hardship fund being in place.

Following the presentation of the consultation section of the report, Members discussed the following in more detail:

- The number of letters which had been sent out from the aborted consultation and the costing prior to it being stopped, which were estimated at approximately £9,500.
- The spending limits for individual Officers at a particular level, for example Head of Service or fourth tier manager. (The Executive Director, Finance and Resources agreed to provide Members with the exact amounts for each level of management.)
- What liability, if any, the Council had for those that received the questionnaire and were concerned enough by its content to visit the CAB and their Ward Councillor.

- The number of complaints had been minimal and the majority were in relation to the retraction letter which was sent out. It was not viable to cross check those letters which had gone out and those which had been retrieved therefore there were some people who had received the retraction letter and not the initial letter.
- The selection of the addresses – approximately 10% from larger areas and 20% from smaller parishes and computer generated.
- The inclusion of the 1,700 people who were currently receiving support within the consultation. It was accepted that this would have to be proportionate in order to show a clear balance, but Officers agreed that this could be considered within the process.
- Equalities issues around the consultation process and the use of ward areas.

The content of the actual questionnaire was discussed and concerns were raised around the technical jargon used and the difficulty in explaining the subject. Assistance would be provided where necessary if those in receipt of the questionnaire required it. The aim being to gather evidence in order to give a balanced view. The Board discussed the scheme options available to the Council and the financial implications and impact, in particular the following areas:

- The impact on empty houses – currently discount for 3 months and reducing it to 1 month.
- New properties being considered the same as void properties.
- The financial implications on those families affected and the support in place for them.
- Work that was being done to support those families in order to maximise their income and manage their finances. A hardship fund was also in place.
- Currently Bromsgrove was the only authority in Worcestershire not to have adopted a scheme. Other authorities had advised officers that there had not been any significant impact in other areas although it was accepted that from information provided by CAB an increase in recovery and hardship had been linked to support schemes.
- The Council had put in place a welfare reform reserve based around the changes.
- Members were informed that in the first quarter of 2014/15 700 people had made contact about financial support and for the same quarter in 2013/14 the figure had been 875.
- It was understood the number of working age claimants affected by the changes had increased from 1,762 to approximately 2,200 and Officers agreed to provide the current figure as Members were concerned that this appeared to be a significant increase. Although Officers believed that this was primarily due to people reaching pensionable age, as Bromsgrove had an aging population. Officers undertook to provide Members with the up to date figure following the meeting.

Following the presentation of the report, Members discussed a number of points in detail:

- The deferral of the report pending further information being provided, as some Members felt insufficient time had been allowed for consideration of such a detailed report.
- The statutory duty to review what was in place.
- The impact on the Council and residents if it chose to do nothing. This would include having to look for savings elsewhere to cover the £45,000 shortfall to the Council. There was also the possibility that the other preceptors would look to the Council to cover their shortfalls.
- The Board's comments be considered by Officers and Cabinet in the decision making process.

**RESOLVED that the report be noted.**

The meeting closed at 7.35 p.m.

Chairman