

Medway Council
Meeting of Business Support Overview and Scrutiny
Committee

Tuesday, 26 August 2014

6.30pm to 7.50pm

Record of the meeting

Subject to approval as an accurate record at the next meeting of this committee

Present: Councillors: Avey, Carr, Clarke (Chairman), Harriott, Irvine, Juby, Mackness, Maple, Murray, Price, Royle and Wildey

Substitutes: Councillors:
Iles (Substitute for Pat Gulvin)

In Attendance: Marc Blowers, Head of Housing Management
Stephen Gaimster, Assistant Director, Housing and Regeneration
Stephanie Goad, Assistant Director Communications, Performance and Partnerships
Mick Hayward, Chief Finance Officer
Anthony Law, Democratic Services Officer
Jon Poulson, Revenues and Benefits Contract Manager
Christine Wilson, Head of Legal Services

251 Record of meeting

The record of the meeting held on 3 July 2014 was agreed and signed by the Chairman as correct.

252 Apologies for absence

An apology for absence was received from Councillor Pat Gulvin (Vice-Chairman).

253 Urgent matters by reason of special circumstances

There were no urgent matters by reasons of special circumstances.

It was noted that a Supplementary Report for agenda item 6 (Council Plan – 2013/2014 Year End Performance Monitoring) had been tabled at the meeting. This set out details of the performance discussions by the other Overview and Scrutiny Committees.

Whilst there was no one in the public gallery at this point, the Democratic Services Officer advised the Committee that there may be members of the

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press and public attending taking photographs, filming or audio-recording and reporting the proceedings. This was permitted under the Openness of Local Government Bodies Regulations 2014. The Democratic Services Officer advised that anyone exercising this right would be requested to do so in a way that did not disrupt the meeting and to ensure that any other members of the public were not filmed or recorded against their wishes. Seating had been provided in the public gallery, should anyone attend and wish to make use of this new law.

254 Declarations of interests and whipping

Disclosable pecuniary interests

There were none.

Other interests

There were none.

255 New Rent Setting Policy April 2015

Discussion:

The Head of Housing Management introduced a report that provided details of the Government's new rent setting guidance for Social Housing, which would be effective from April 2015.

The main changes to the current mechanisms and formulas for increasing rent and changes were explained. This included the requirement for the Council to increase social housing rents using the Consumer Price Index (CPI) plus a maximum increase of 1% from 1 April 2015. There was also the option for the Council to consider charging affordable rent for households where there was a taxable income of £60,000 or more per annum from April 2015.

A Diversity Impact Assessment was attached to the report.

The Committee discussed the report in detail, with particular emphasis on the practicalities of charging affordable rents for households in Council stock, where they have an income of more than £60,000 per year. Members discussed a number of perceived administrative difficulties, due to:

- increasing fluctuations in tenants' income (possibly as a consequence of redundancy or 'zero hour' contracts) and the subsequent implications for the application of discretion where a tenant has faced financial hardship since declaring their income;
- potential confusion arising from differences between this criteria, which did not include the income of all household members, and that used by other benefits to which tenants may be entitled;
- the current lack of robust financial data about tenants' incomes and that, whilst guidance from the Government stated that the onus was on the

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tenant(s) to inform the Council of their income, it was currently unclear what action could be taken if a tenant failed to do so.

Following clarification from officers on the timescales with introducing this element of the New Rent Setting Policy, the Committee requested that this be reported back to the Committee in October 2014. This should include more detail on the new Government guidance, the Council's entitlement to data about tenants' incomes and the guidance that would be sent to tenants.

Decisions:

- (a) The Committee recommended Cabinet to agree that
 - (i) rents for existing stock will be based on the social housing rent formula of CPI + 1%;
 - (ii) newly built or acquired Council Housing rents will be based on the Social Housing Rents formula of CPI + 1%;
 - (iii) properties continue to be moved to formula rent when void;
 - (iv) the retained 1-4-1 Right to Buy receipts and any future retained receipts within the timescale for the new homebuilding project be used to part fund the HRA new build programme.

- (b) The Committee agreed that consideration of following be deferred to the meeting of the Business Support Overview and Scrutiny Committee on 7 October 2014:
 - (i) the new criteria for rent setting for those households where there is a taxable income of £60,000 or more;
 - (ii) the proposal that from April 2015 rooms will only be counted as bedrooms if they are not on the ground floor of a property (unless the property is a single floor property such as a bungalow).

256 Council Plan - 2013/14 Year End Performance Monitoring

Discussion:

The Assistant Director, Communications, Performance and Partnerships and the Assistant Director, Housing and Regeneration introduced the report and highlighted to Members the performance against the key measures that fell within the remit of this Committee.

A Supplementary Report (Appendix 2 to the report) was tabled at the meeting. This set out details of the Quarter 4 2013/2014 performance discussions that had taken place at recent meetings of the three other Overview and Scrutiny Committees.

Members then raised a number of points and asked questions relating to homelessness performance information. This included the difficulty in obtaining statistics as to the level of homelessness and the potential migration of homeless into Medway. The Assistant Director, Housing and Regeneration advised that in comparison with other locations, the number of homeless in

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Medway was considered low and subject to seasonal fluctuations but some homeless people had challenging lifestyles.

In response to specific questions the Assistant Director, Housing and Regeneration undertook to provide a Briefing Note detailing:

- the evidence gathering undertaken, including the surveys undertaken of street homelessness;
- information as to the migration of homeless people into Medway;
- the support provided for street homeless, including contact details for lead officers;
- partnership working, exploring in particular the data held by other organisations.

Decisions:

- (a) The Committee noted the 2013/14 performance against the Key Measures of Success used to monitor progress against the Council Plan 2013 - 2015.
- (b) The Committee requested a Briefing Note detailing:
- the evidence gathering undertaken, including the surveys undertaken of street homelessness;
 - information as to the migration of homeless people into Medway;
 - the support provided for street homeless, including contact details for lead officers;
 - partnership working, exploring in particular the data held by other organisations.

257 Council Tax - Empty Homes Premium

Discussion:

The Revenues and Benefits Manager introduced this report, which outlined the proposal to introduce a Council Tax Empty Homes Premium from 1 April 2015. This would result in Council Tax of 150% for properties that had been empty and unfurnished for more than two years.

It was reported that as at 31 July 2014, 314 properties had remained empty for in excess of two years and the introduction of the premium would encourage owners to bring their property back into use. It was also reported that the introduction of this premium would generate an additional £162,400 of potential income per annum at current Council Tax levels and potentially £406,112 of New Homes Bonus.

It was noted that the power to levy an additional premium was introduced by the Council Tax (Administration and Enforcement) (Amendment) (No.2) (England) Regulations 2012 and that there were two exceptions, relating to the armed services and empty annexes. These powers had originally been reported to Council on 24 January 2013, where it was agreed not to use these provisions at that time, but the Business Support Overview and Scrutiny

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Committee had requested that the matter be reconsidered at its meeting on 4 February 2014.

During the discussion on this item, Members considered the application of this premium when a property was subject to probate. It was explained that if the owner of a house died, Council Tax was not charged for up to six months after probate was granted. In the majority of cases the two-year 'empty and unfurnished' period would then commence on the expiry of this six-month period. This effectively meant that it would not be applied for two years six months after the owner died. The Committee was assured that this would be clarified in the report to Cabinet and Council.

The Committee was also advised that these regulations did not apply to commercial properties nor Deferred Payment Schemes (where a resident was eligible for deferred payments if they did not have sufficient income, savings or other assets apart from the value of their home to pay for the cost of residential care).

Following their consideration of this report the Committee requested a Briefing Note explaining the different enforcement powers available to the Council, where a property had been vacant for two years and the owner was either known or not known.

Decisions:

- (a) The Committee agreed to recommend to Cabinet that the Council set a Council Tax rate for long-term empty properties at the maximum permitted 150% of the normal liability, so to encourage owners to bring their property back into use.
- (b) The Committee requested a Briefing Note explaining the different Council Tax enforcement powers available to the Council where a property has been vacant for two years and the owner is known or not known.

258 Welfare Reform Task Group

Discussion:

The Chairman of the Welfare Reform Task Group introduced the Task Group report, which had considered the impact of the Government's Welfare Reforms.

The Committee was referred to the work the Council was already undertaking to inform and assist residents, which had been positively highlighted by partner organisations during the evidence sessions. The Committee was also advised that, whilst a smaller number of Medway residents than originally anticipated had been impacted, those households affected had seen a significant reduction in their household incomes. Such households would need to be supported. The importance of the Officer Welfare Reform Group as the principal co-ordinating vehicle was stressed, as were regular reports to the Business Support

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Overview and Scrutiny Committee to enable the impact to be monitored carefully and remedial action taken.

The Committee discussed the contents of the Task Group Report, which included:

- Food banks, in particular a new food bank in Rochester East Ward, and the framework for distributing food bank vouchers; especially to families during the school holidays, when schools (who distribute vouchers) are closed.

It was noted that the Task Group had spoken with Medway Food Bank, which operated as part of the Trussell Trust's national network and was supported by a network of churches and other front-line organisations who assessed need and issued up to a maximum of three food bank vouchers. It was requested that officers consider the impact of school closures and distribution of vouchers further.

- Universal Credit and the requirement for claimants (in most cases) to make and maintain their claim online.

It was noted that nationally, further lessons would be learnt from the Department for Work and Pensions pilot projects. The Task Group had also recommended that the Welfare Reform Officers Working Group reflect on digital access, use and support across Medway and play a role in the developing digital inclusion workstreams.

- The Council's changing role with the end of Housing Benefit assessment and payments made by local authority staff under Universal Credit.

Members were advised that the Council would still need to maintain the Council Tax Reduction (CTR) Scheme and Universal Credit would only be applied to working age claimants in the first instance.

- Personal Independence Payment and Employment and Support Allowance and the delays and growing backlog of claims by the external provider (ATOS), which are impacting negatively on claimants.

It was noted that representations would be made to the Secretary of State for Work and Pensions and Secretary of State for Communities and Local Government concerning this.

- The cessation of Government funding for the Local Welfare Provision Scheme

It was noted that the Task Group had recommended that a letter be sent requesting that the Government continue to provide an identifiable local welfare provision grant to local government from 2015/2016 onwards.

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- The recommended Stakeholder event explaining the Welfare Reforms and the schemes in operation in Medway, and the opportunity this provided to gain further feedback on the Council's response to the Welfare Reforms.
- The need for claimants to open bank accounts, which would be considered further by the Welfare Reform Officers Working Group.

The Committee commended the Task Group and the supporting Council officers on the development of the Task Group report.

Decisions:

The Business Support Overview and Scrutiny Committee agreed that the Welfare Reform review document be referred to Cabinet on 2 September 2014 for consideration, together with the following recommendations:

- (a) That the Welfare Reform Officers Working Group continues to lead the Medway response to Welfare Reform and to work to develop communication between the Council and other agencies, with the objective of providing the customer with the single journey through a coordinated response. This should include:
 - (i) a Stakeholder event explaining the Welfare Reforms and the schemes in operation in Medway. This event should enable organisations to showcase their response to the reforms;
 - (ii) the development of a booklet (in print and online) for all affected residents, signposting the various organisations providing support;
 - (iii) a briefing for all Members on the Welfare Reforms.
- (b) That the Welfare Reform Officers Working Group undertakes further work to improve communication channels for potentially vulnerable claimants of discretionary payments, who may find themselves excluded. This should incorporate:
 - (i) any positive learning from existing cross agency partnerships, such as Street Weeks and Troubled Families;
 - (ii) a review of Council systems, with a view to highlighting vulnerable claimants, especially where there may be safeguarding issues, and the potential need for 'personal intervention' in the debt recovery process;
 - (iii) undertaking a Diversity Impact Assessment to understand the cumulative impact of the Welfare Reforms including the impact on groups with protected characteristics and to identify the necessary actions to take forward.
- (c) That the Welfare Reform Officers Working Group review the Council's corporate debt policy, considering the feasibility of encouraging the "Warm Transfer" of clients to organisations such as StepChange, the Citizens Advice Bureau and Christians Against Poverty and stressing

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the availability of advice agencies at the later stages of the debt recovery process.

- (d) That the Welfare Reform Officers Working Group continue until after the introduction of Universal Credit and that the Corporate Management Team reviews its membership, with a view to ensuring appropriate representation at the relevant time and enhancing its collaborative work with partners.
- (e) That the Welfare Reform Officers Working Group ensures that it continues to track and respond to the emerging requirements of Universal Credit and Welfare Reforms, reporting on progress to the Business Support Overview and Scrutiny Committee every 6 months.
- (f) That the Council write to the Secretary of State for Work and Pensions and Secretary of State for Communities and Local Government, copying in the Chairman of the Local Government Association, highlighting the:
 - (i) recognised delays and impact of the assessment phases of Employment and Support Allowance and Personal Independence Payment processes;
 - (ii) concerns expressed during the evidence sessions as to direct payments;
 - (iii) benefits of a localised Local Welfare Assistance Fund and stressing the need for Central Government to make alternative funding provision for this to continue.
- (g) That the Welfare Reform Officers Working Group reflects on digital access, use and support across Medway. This should give particular focus on:
 - (i) assisting in the development of a Corporate Customer Access Strategy and the development of an assisted digital offer;
 - (ii) linking in with community networks and considering the potential role of Digital Ambassadors (led by partners and the wider community);
 - (iii) learning from research and pilot projects that are being undertaken both locally and nationally to establish barriers and enablers to digital access and use;
 - (iv) the evolution of community hubs and considering the potential for privacy for claimants at Council access points.

259 Work Programme

Discussion:

The Democratic Services Officer introduced the report advising the Committee of the current work programme which allowed them to adjust it in light of the latest priorities, issues and circumstances.

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The report gave details of the items listed on the Cabinet Forward Plan that fell within the remit of this Committee and Appendix 2 to the report set out the work programmes of the other three Overview and Scrutiny Committees. The Chairman of the Regeneration, Community and Culture Overview and Scrutiny Committee took this opportunity to update Members on that Committee's work programme, by reporting the inclusion of a report on the Local Plan Framework on 18 December 2014.

It was noted that at the agenda planning meeting on 7 August 2014 the following changes had been agreed to the Committee's work programme:

- Housing Revenue Account (HRA) Business Plan – this item was moved to the meeting on 3 February 2015.
- Communications Shared Service – this item was moved to “date to be determined” on the Work Programme.
- Six Month Update on Implementation of Procurement Strategy – this was removed from 4 December 2014 and programmed for October 2015 on the anniversary of the creation of the Strategy.

The Democratic Services Officer further advised that dates had been proposed for the Council Plan Review Process, which would include submission to this Committee in February 2015.

It was also noted that following the determination of the Welfare Reform Task Group report, a six month update report would need to be scheduled for February 2015 and then every six months. A further report would be submitted to the October 2014 meeting of the Committee on New Rent Setting Policy April 2015, due to the deferral of two elements earlier in the meeting.

During the consideration of this item, Members raised the relocation of Riverside One and suitability of the new premises and staff training for mental health patients. This had been raised at the Health and Adult Social Care Overview and Scrutiny Committee on 19 August 2014, during a review of progress made in implementing the Review of Mental Health Services in Medway recommendations. The Committee requested that the Assistant Director Legal and Corporate Services consider the provision for mental health service users, as well as the wider engagement of Members in the relocation of Riverside One.

Decisions:

- a) The Committee noted the addition to the Committee's Work Programme of the Council Plan Review Process, Welfare Reform Review – Six Month Update (as well as the rolling submission of a Welfare Reform Review every six months) and New Rent Setting Policy April 2015;
- b) The Committee agreed the changes to the work programme as set out in paragraph 3.2.1 of the report;

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- c) The Committee noted the work programmes of all overview and scrutiny committees (set out in Appendix 2 of the report), including the update to the Regeneration, Community and Culture work programme to include a report on the Local Plan Framework in December 2014;
- d) The Committee requested that the Assistant Director Legal and Corporate Services consider and advise the Committee via a Briefing Note of the framework for ensuring the smooth transition of services at Riverside One - this should include consideration of the provision for mental health service users and the wider engagement of Councillors;
- e) The Committee agreed that future reports on the Committee's work programme should include the actions that are outstanding from previous meetings.

Chairman

Date:

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