

Minutes of the Resources and Transformation Scrutiny Committee

Monday 7th March, 2016 at 6.00 p.m.
In Committee Room 2, The Council House, Dudley

Present:

Councillor D Blood (Chair)
Councillor B Cotterill (Vice-Chair)
Councillors S Anderton, C Baugh, S Clark, T Herbert, P Miller, M Rogers,
E Taylor and Q Zada

Officers:

K Jackson (Acting Chief Officer Health and Well-being) – Lead Officer to the Committee for this meeting only, M Williams (Chief Officer Corporate and Customer Services), S Beckett (Head of Revenue and Benefit Service), C Ludwig (Finance Manager) and K Griffiths (Democratic Services Officer) – Directorate of Resources and Transformation

32 **Welcome**

The Chair welcomed all those present to the meeting and introduced Council officers.

33 **Apology for Absence**

An apology for absence from the meeting was received on behalf of Councillor M Mottram.

34 **Declarations of Interest**

No declarations of interest, in accordance with the Members' Code of Conduct, were made in respect of any matter to be considered at this meeting.

35 **Minutes**

Resolved

That the minutes of the meeting of the Committee held on 19th January, 2016, be approved as a correct record and signed.

36 **Public Forum**

There were no issues raised under this agenda item.

37 **Welfare Reform Update**

A report of the Strategic Director Resources and Transformation was submitted updating the Committee on developments relating to welfare reforms since the previous reports in June 2015 and September 2015.

The Finance Manager gave an overview of the report briefly highlighting information that the Committee had received since September 2015, and updating them on a number of government announcements relating to welfare reforms, including the Chancellor's Autumn Statement as well as the progress of the Welfare Reform and Work Bill through Parliament.

The Finance Manager highlighted key areas, which included statistical information and charts in relation to the following:-

- Local context.
- Update on claimant numbers and geographical distribution.
- Universal Credit update.
- Benefit Cap.
- Local Housing Allowance rate for social housing benefits.
- Discretionary Housing Payments.
- Further changes to tax credit and benefit.
- Future Developments.
- Map of Dudley showing the 2015 Index of Multiple Deprivation by LSOA 2011.
- Universal Credit and rollout.
- Examples of households affected by the benefit cap.

A copy of the presentation was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

Following the presentation by the Finance Manager, Members asked questions and made comments, summarised as follows:-

- Considerable concern was raised in relation to the proposed changes and the long term impact on residents. Specific reference was made to Appendix 1, a map outlining the 2015 Index of Multiple Deprivation and it was queried how the proposed changes would benefit the areas highlighted as the most deprived and bring them out of poverty. In responding, the Finance Manager indicated that detailed contextual work had been carried out, which included a range of elements that had been considered to measure deprivation in the Borough. She offered to circulate a document to Committee Members which outlined information and various factors that had been considered.
- In referring to the timeframe when improvements would be witnessed, a Member expressed concern in relation to the impact on the most vulnerable residents in the Borough and referred to the potential difficult decisions such residents may be forced to take, which could potentially lead to adverse health issues. It was acknowledged that methods needed to be put in place to help residents most at risk. It was suggested that an update/progress report be submitted to a future meeting of the Committee.
- Members referred to specific wards affected by deprivation and issues associated with Government regulations and funding systems and the need for a long term strategy working in partnership with all relevant agencies to address the long standing issues and achieve culture change.
- Concerns raised in relation to unemployed residents potentially earning benefits that exceed earnings for residents that were employed. Although it was acknowledged that unemployment figures were reducing, concerns were expressed over longstanding problems in relation to families receiving benefits due to various reasons in particular areas and the need to encourage people into employment.

A Member expressed his disappointment that employment figures for wards in the Borough had not been circulated to the Committee despite assurances being given. He stated that no documentation had been submitted showing evidence that employment figures had reduced, however, acknowledged that a co-ordinated approach was required to improve deprivation in various wards of the Borough. The Chair undertook to personally contact an appropriate officer with a view to circulating a breakdown of employment figures to Members of the Committee.

A Member referred to the work carried out by the former Community Renewal Team on deprivation in the Borough and suggested that an annual report be prepared which included information and figures on deprivation in the Borough.

- Concern in relation to the lack of incentives and employment opportunities to encourage benefit claimants into work.
- Budgetary issues relating to the expenditure and availability of discretionary housing payments. Issues raised in relation to 2016/17 Discretionary Housing Payment (DHP) allocation set by Central Government and the additional allocation that the Council may provide to support claimants. It was reported that DHPs were intended to be used as a short term remedy for claimants who had a shortfall in benefit relating to their housing costs. The expectation was that claimants changed their circumstances for example by getting work or moving to a smaller or cheaper home. However, it was acknowledged that DHP awards had been provided for a lengthy period to a number of claimants.

The Chief Officer Corporate and Customer Services referred to the Policy that outlined the full criteria and conditions in relation to who was eligible to receive DHP. He undertook to circulate the link to all Members of the Committee.

- Problems were identified with the demand and lack of availability of certain properties should people wish to downsize their property. Whilst it was acknowledged that a number of properties were currently being developed, a Member indicated that residents should not be penalised by having to pay “bedroom tax” when smaller properties were not available. The Finance Manager acknowledged the concern raised and indicated that this particular area was one when DHP were used, however claimants would have to undertake a “means test” and be successful prior to any award being given.

Mention was made to the possibility of re-designating two bedroom flats into one bedroom flats, however it was reported that cases would need to be considered on a block basis rather than individual cases, which would inevitably penalise some residents.

In referring to the personal circumstances of a resident in a particular area affected financially with housing arrears, the Finance Manager requested details following the meeting.

- Concerns raised in relation to the future developments included in the Housing and Planning Bill and the proposed introduction of fixed term tenancies of no more than five years and the implications for tenants.

Resolved

- (1) That the report and information contained in the appendices be noted.
- (2) That employment figures for various wards in the Borough be e-mailed to all Members of the Committee.

- (3) That the Policy in relation to DHP be circulated to all Members of the Committee.
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Local Welfare Assistance Scheme

A report of the Strategic Director Resources and Transformation was submitted following a request from the Scrutiny Committee at its meeting on 19th January, 2016 on an alternative option that was necessary to accommodate proposed changes to funding for the Local Welfare Assistance Scheme (LWA) from 2016/17 onwards.

A copy of the report was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

The Head of Revenue and Benefit Services gave a brief overview of the report highlighting progress on an alternative option to provide the provision of the LWA scheme currently operated by Dudley MBC.

It was reported that all necessary preliminary meetings had now taken place with appropriate agencies in relation to providing the facility. These agencies were currently discussing working practices, problem resolutions and determining the future approach and priorities with their counterparts in Wolverhampton.

Whilst officers were confident that preliminary discussions had been positive and considered that the alternative option was the best solution to continue to provide the LWA scheme, it was reported that it was unlikely that a replacement LWA scheme would be in place by 1st April, 2016. However, it was reported that arrangements had been made for the LWA scheme to continue in its current format for a temporary period.

Following the presentation by the Head of Revenue and Benefit Services, Members asked questions and made comments, summarised as follows:-

- A lengthy discussion took place on the importance of providing the LWA scheme and its benefits, however, Members expressed their disappointment that a replacement scheme had not been put in place prior to budget proposals being approved and questioned the delay. In responding, the Head of Revenue and Benefit Services apologised for the delay and indicated that the work involved in relation to identifying an alternative option had been very challenging. He was confident that discussions regarding the detail of how the scheme would be operated in future and solutions to overcome any potential underlying issues would now progress rapidly.

- A Member queried the percentage of funding used from the LWA budget to pay staff salaries. Members expected that, when the facility was transferred to third party organisations, the full budget should be used solely on the services offered. The Head of Revenue and Benefit Services outlined the current overhead costs in administering the LWA scheme, however he indicated that although he believed that overhead costs would not be eradicated, he expected that these would drastically reduce in future should the facility be transferred to third party organisations.

The Head of Revenue and Benefit Services indicated that Adult Services were currently in the process of undertaking a corporate review of Council service level agreements with the Citizens Advice Bureau (CAB) and associated funding and service priorities. The review would assist in managing proposed efficiencies in various areas relating to CAB funding and ensure that future priorities were identified and make sure that the majority of the LWA scheme fund would be used to facilitate the scheme, with a small amount being used on administration costs.

The overall consensus of the Committee was that the full budget should be used solely on the services offered by the LWA Scheme.

- Members continued to express disappointment that an alternative scheme had not yet been approved and expressed concern should the third party organisations decide not to provide the LWA scheme.

In referring to the proposals set out in the Medium Term Financial Strategy approved by full Council, it was reported that Cabinet Members identified the proposal to reduce the LWA budget to £100,000 in 2016/17 with the budget being deleted in 2017/18 on the basis that the facility was discretionary and would best be delivered by third sector organisations. It was noted that unforeseen circumstances had delayed the process, however it was stated that whilst further discussions were being held to finalise the details of the LWA scheme, Dudley MBC's current scheme would continue.

- Reference was made to the role of the Scrutiny Committee and the need to achieve cross-party consensus on issues of this nature wherever possible.
- A suggestion was made by a Member to approach The Trussell Trust with a view to seeking support and to provide crisis loans. The Head of Revenue and Benefit Services indicated that the CAB worked in partnership with the Black Country Food Banks and provided food vouchers to people in crisis.

In concluding, the Head of Revenue and Benefit Services again apologised for the delay and agreed that a report would be submitted to a future meeting of the Committee.

Resolved

- (1) That the Committee note the contents of the report submitted; the proposal to review provision of the scheme from 2016/17 onwards and the issues raised at the meeting as summarised above.
- (2) That a further report to update Members on the Local Welfare Assistance scheme be submitted to a future meeting of the Committee.

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Comments by the Chair

The Chair reported that Mike Williams, Chief Officer Corporate and Customer Services would shortly be leaving the Council's service. The Committee paid tribute to Mr Williams for his service to the Council and expressed its best wishes for the future.

The Chair reported that he would not be seeking re-election in May and expressed gratitude to officers and Members of the Committee for their friendship, support and commitment to the Committee. Tributes were paid to the Councillor D Blood and the Committee expressed best wishes for the future.

Councillors C Baugh and T Herbert both reported that they would not be seeking re-election in May. Tributes were paid to the retiring Members and the Committee expressed best wishes for the future.

The meeting ended at 7.25 p.m.

CHAIR