

## OVERVIEW AND SCRUTINY COMMITTEE

11 June 2018

Minutes of the Overview and Scrutiny Committee held at the Town Hall, Bexhill-on-Sea on Monday 11 June 2018 at 6:30pm.

Committee Members present: Councillors P.N. Osborne (Chairman), M. Mooney (Vice-Chairman), J. Barnes, G.S. Browne, C.A. Clark, S.H. Earl, R.V. Elliston, J.M. Johnson (ex-officio), J. Potts, Mrs S.M. Prochak, G.F. Stevens and M.R. Watson.

Other Members present: Councillors Lord Ampthill (in part), K.P. Dixon, Mrs J.M. Hughes and I.G.F. Jenkins.

Advisory Officers present: Executive Director (AL), Executive Director (MJ), Assistant Director Resources, Revenue and Benefits Manager (in part), Programme Office and Policy Manager (in part) and Democratic Services Officers x 2.

Also present: 3 members of the public.

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### OSC18/04. **MINUTES**

The Chairman was authorised to sign the minutes of the meetings of the Overview and Scrutiny Committee held on 23 April 2018 and 21 May 2018 as correct records of the proceedings.

### OSC18/05. **APOLOGIES**

An apology for absence was received from Councillor S.D. Elford.

### OSC18/06. **COUNCIL TAX REDUCTION SCHEME 2019/20** (5.1)

The Committee received the report of the Executive Director detailing the proposed changes to the Council Tax Reduction Scheme (CTRS) for the financial year 2019/20. The proposals were the result of work undertaken jointly by all the East Sussex Councils.

The Chairman welcomed Chris Watchman, Revenue and Benefits Manager, to the meeting who provided a presentation to Members on the CTRS.

The scheme initially replaced Council Tax Benefit in April 2013 to support low income residents with their Council Tax. It was designed and administered locally for working age residents only; support for pension age residents was set by the Government. The scheme continued in operation for 2014/15 and 2015/16. In 2016, the maximum amount of Council Tax Reduction (CTR) that could be claimed was reduced to 80% of a resident's Council Tax liability, resulting in all residents paying at least 20%. If the applicant had been

self-employed for more than 12 months, the reduction in their Council Tax was calculated using a Minimum Income Floor (MIF). This scheme continued in operation for 2017/18 and 2018/19.

It was explained that the current CTRS within East Sussex is based on a means-test. As a result, the scheme is highly reactive to changes in an individual's circumstances which can happen as often as eight to ten times per year. This has led to a significant increase in claims being reassessed and revised demand notices sent out. A reluctance of residents to make a claim had become apparent, often resulting in a loss of benefit. Continuing to operate on such a basis was not considered viable.

The overall expenditure of the proposed scheme would remain broadly the same as the existing. The most important change proposed was to move from the means-tested scheme to an income-banded scheme, with the highest level discount remaining at 80%. Based on a household's make-up (e.g. number of children), the amount of relief from Council Tax would vary depending on income. No non-dependant deductions would be made; a significant change resulting in a scheme that would be easier to administer. Earning incentives would be created, with a £25 per week earned income disregard, income from Disability Benefits would also be disregarded and income from self-employment would continue to be calculated by way of the MIF.

Members were presented with a proposed grid to be used in the calculation of CTR, showing four income bands. The wide bands would eliminate the need to recalculate a claim due to small changes in income, such as for overtime worked, therefore gave greater certainty of the amount of Council Tax relief to those working age households where income varied on a regular basis.

Following the presentation, Members had an opportunity to put forward questions and the following points were noted during the discussion:

- Other changes to welfare benefits, such as bedroom tax, may impact a claim. The scheme could not be looked at in isolation.
- The proposed new scheme framework would be applied across all of the East Sussex District and Borough Councils. However, it was likely that in some areas, schemes may vary due to either demographics or local authority choice.
- The proposed framework contained the same provisions to protect individuals who experienced exceptional hardship as in the current scheme. Where any group or person was likely to experience hardship, this would be addressed as part of the overall scheme design. It was expected that the Exceptional Hardship Policy (EHS) would continue to be an integral part of the all East Sussex schemes for the foreseeable future, but as few claims had been received in the past, advertising would be a focus.
- As part of the joint work, East Sussex County Council had asked the districts and boroughs to consider giving 100% Council Tax discount to care leavers. This followed a national campaign by the Children's Society and was supported by an increasing number of Councils across the country. This could be achieved in a number of

- ways and it was intended that the cost be borne by the Collection Fund with a small cost to this authority. Acceptance would also be required from the Police and Crime Commissioner and Fire Authority, but it was recommended that the scheme be adopted.
- The roll out of Full Service Universal Credit within the East Sussex area had, as experienced in all other areas, brought a number of challenges to both the administration of CTR and also the collection of Council Tax generally.
- The current modelling showed two main groups that would see a reduction in their awards, namely families who had greater than two children and disabled households. In the case of the latter, changes would be made to the scheme to avoid these claimants experiencing a reduction in their discount. The EHP could be used as a fall back, which made provision for taxpayers to make an application for additional discounts where they experienced exceptional hardship. The proposed new scheme framework would contain the same provisions to protect individuals who experienced exceptional hardship.

The Chairman thanked Chris Watchman for attending the meeting and providing an informative presentation.

**RESOLVED:** That Cabinet approve the proposals set out within the report for the Council Tax Reduction Scheme for 2019/20 financial year and the Council Tax discount for Care Leavers be approved for consultation.

## OSC18/07. (5.2) **HOUSING BENEFIT – SERVICE ISSUES AND PROPOSALS FOR IMPROVEMENT**

The Committee received the report of the Executive Director detailing the processing times for housing benefits, which had been picked up through the performance reports as an area of concern. The Assistant Director Resources explained that processing times were in the bottom quartile of local authority performance and, within this quartile, were also towards the bottom.

It was recognised that the quality of the work carried out by the team appeared to be consistently good, a view supported by the positive outcome from recent housing benefit subsidy audits. It was therefore important to understand what had happened to the service in recent years and the reasons why improvements to processing times had yet to be achieved.

Members were referred to the table of results in the report that showed the relative performance for the two main processes concerning housing benefit new claims and dealing with changes in circumstances. The results showed that Rother's performance had been consistent for new claims but in excess of the national average. For the processing of changes in circumstances, the Council's performance had deteriorated and the report examined the reasons for this.

It was explained to Members that the budgeted Full Time Equivalents (FTEs) of the service was reasonable, however the actual deployed

FTE in the benefits team had consistently been lower than budgeted due to a number of reasons, including long term sickness and maternity leave. Reduced staffing was the biggest factor affecting processing times and the Capita Resilience Contract had been put in place to address this, by providing additional support to the service by processing work offsite. However, difficulties had been experienced as Capita had had to deploy staff on other contracts. Therefore, partner councils who offer resilient support were being explored to help reduce the backlog of work. The volume of work had increased year-on-year and with the impact of the introduction of the Universal Credit, processing times per officer per day equated to a need for an additional 3 to 3.5 FTEs required to manage the additional workload.

The introduction of the Document Image Processing system (DIP) had made a significant difference to the management and efficiency of information relating to claims. In addition, the introduction of the proposed Council Tax Reduction Scheme would reduce the complexity of the claims process, which would in turn improve performance.

Members noted the immediate, short and medium term actions to be focused on. Training would continue to be delivered for the new trainee staff.

In the medium term, the Council would be able to eliminate reliance on paper within the office through the new DIP/Workflow system and focus on establishing a new Performance Management framework. A Lean review and Demand Management review was expected to start from October 2018 and the online service, which would form part of the outcome of both pieces of work, would be important for users and support agencies.

In addition, learning from high performing councils would be beneficial in order to look at how processes were being undertaken differently. Research appeared to show that the front end processes of those high performing councils were very different to this Council.

The Assistant Director Resources advised that the Council was aiming to achieve the district average; to be within the top performing councils, additional investment would be required.

To support the Revenues and Benefits Manager it was proposed that a project manager with a relevant background in Housing Benefit was appointed. In addition an Officer Board would be established which would meet quarterly to monitor progress against the key actions/milestones and provide regular updates to the Overview and Scrutiny Committee.

After some discussion, the following points were noted:

- A high percentage of claims had not been dealt with initially, due to further information required from applicants. An accurate figure could not be provided, but the Revenues and Benefits Manager confirmed that many applicants had to be written to following receipt of their claim. The acceptance of electronic correspondence had started to speed up the process.

- The initial contact with applicants would need to be proactive, before claims were submitted and different methods of communication should be considered, such as emails and texts.
- Consideration would need to be given to the timing of the Lean review and Demand Management review, so as to not coincide with the full implementation of the new electronic system.
- The DIP system would release administration time which could be directed to providing more proactive support for applicants with their claims.
- Progress to be reported quarterly with a major review in six months, unless the Officer Board felt an extra report was necessary.
- The morale and motivation of officers had been affected with little “light at the end of the tunnel”. The proposals within the report would seek to address this.

**RESOLVED:** That Cabinet approve the:

- 1) high level timetable and key workstreams shown at Appendix 1 to the report be approved;
- 2) Council engage a suitably experienced Project Manager to be funded from the Medium Term Financial Strategy Reserve; and
- 3) governance and reporting arrangements outlined in the report be approved.

OSC18/08.  
(5.3)

**PERFORMANCE PROGRESS REPORT: YEAR END AND FOURTH QUARTER 2017/18**

Consideration was given to the report of the Executive Director on the End of Year 2017/18 Performance Progress Report. The report brought before Members a summary of the Council’s performance against the selected indicators (KPIs), giving the position at the end of the fourth financial quarter (1 January to 31 March 2018) and the results for 2017/18.

The report gave Members an opportunity to scrutinise progress towards the Council’s stated aims, outcomes and actions in the Corporate Plan and make any necessary recommendations to Cabinet for future service delivery. The report delivered the Corporate Plan action to ‘account for performance’.

The Programme Office and Policy Manager advised that, of the seven individual measurements, three had met or exceeded their target and four did not meet their targets. Those that had not met their target were: average calendar days taken to process changes to an existing housing benefit claim; the five year housing site supply as a percentage of the local need to build new homes; the number of homelessness applications received by the Council; and the gross amount of new affordable housing completed in the district.

The Programme Office and Policy Manager led the Members through each KPI not meeting its target and during discussion the following was noted:

**Average calendar days taken to process changes to an existing housing benefit claim:** The end of year target was an average of 20 days. The combined average for the year was 23.19 days, which was not on target. The worst quartile for English district councils started at eight days and the median was six days. Therefore, Rother District Council had some way to go to move out of the worst quartile. Results were reported to and monitored by the Department of Work and Pensions and published by the Government.

**The five year housing site supply as a percentage of the local need to build new homes:** There was an insufficient supply of deliverable housing sites to meet the five-year housing land requirement. The previous result, for the end of the last year (April 2017), was 62% (3.1 years). The mid-year estimate was 64.6% (3.23 years) against a target of 100% (5 years). Initial estimates suggested the position had worsened further than the mid-year estimate. The result would not be known until after all developers had completed reporting, meaning the final result would start to be calculated in late May. Members would be updated in the performance report for the first quarter in 2018/19.

**The number of homelessness applications received by the Council:** The expected number of households presenting to the Council for the whole year was 120 applications and the Council had received 213 applications. The expectation for quarter four had been 30 applications and in actuality more than double that amount applied, with 69 applications received. Members noted that the use of temporary accommodation continued to increase and that the supply was limited. This situation was having a major financial impact on the Council with its temporary accommodation bill in the order of £400,000 in 2017/18. The revenue budget, based on historic spending, was only £180,000.

**The gross amount of new affordable housing completed in the district:** The target for 2017/18 was 102 new homes. The result was 68 new affordable homes and 33 of those were completed in the fourth quarter. Members noted that this was a difficult indicator to influence as land owners often did not move forward once planning permission had been granted.

Members also had reported, by exception, any performance that was doing significantly better or significantly worse than its target. The measurement brought to Members' attention for the final quarter was the number of subscribers to the My Alerts email service. It was noted that the reason the target had not been achieved was because the data had been cleansed. Subscribers had been removed that had not interacted with My Alerts in the last two years and the team had removed email addresses that no longer existed. The number of subscribers might fall further in quarter one of 2018/19 as subscribers were asked to confirm their subscription as part of the requirements of the new General Data Protection Regulations (GDPR).

**RESOLVED:** That the report be noted.

OSC18/09. **TOURISM EVENTS FUNDING**  
(5.4)

The Chairman proposed that this agenda item be deferred to the next meeting of the Overview and Scrutiny Committee, when the Tourism Task and Finish Group terms of reference would be discussed.

**RESOLVED:** That consideration of this item be deferred until the next meeting of the Overview and Scrutiny Committee on 23 July 2018.

OSC18/10. **ANNUAL WORK PROGRAMME**  
(5.5)

Consideration was given to the report of the Executive Director detailing the Annual Work Programme for the Overview and Scrutiny Committee.

An informal Annual Scrutiny Work Programming meeting had taken place on 22 May 2018, which afforded the opportunity for Members to discuss areas of concern and for officers to highlight the Council's key priorities for 2018/19. It was noted that the proposed items for inclusion on the Work Programme had originated from Members at various meetings held throughout the year and had been compiled for Members' consideration and discussion at the informal meeting. The notes arising from the meeting were appended to the report as Appendix C, with the proposed Work Programme detailed as Appendix 1.

Members were reminded that any Councillor could make a request for an item to be placed onto the Council's Scrutiny Committee Work Programme.

The following additions to the Work Programme were noted:

- 23 July 2018 – Revenue Budget and Capital Programme Report for noting.
- 15 October 2018 – Council Tax Reduction Scheme Consultation result – subject to Cabinet approval in July.
- 26 November 2018 – Housing Benefits Scheme.
- Housing Allocations Policy was in the process of being reviewed – add to 'Items for Consideration' as a main item.

**RESOLVED:** That the Work Programme at Appendix A be agreed as amended.

**CHAIRMAN**

The meeting closed at 7:50pm

OSC180611/lh

## OVERVIEW AND SCRUTINY COMMITTEE

WORK PROGRAMME 2018 – 2019		
DATE OF MEETING	SUBJECT – MAIN ITEM (Capitalised)	Cabinet Portfolio Holder
23.07.18	<b>HOUSING ISSUES TASK AND FINISH GROUP REPORT</b> <ul style="list-style-type: none"> <li>Tourism Task and Finish Group terms of reference</li> <li>Revenue Budget and Capital Programme Report</li> </ul>	Hughes Hart
10.09.18	<b>CABINET PORTFOLIO OVERVIEW – LEADER OF THE COUNCIL</b> <ul style="list-style-type: none"> <li>Corporate Programme Update</li> <li>Performance Progress Report: First Quarter 2018/19</li> <li>Revenue Budget and Capital Programme Monitoring to July 2018</li> </ul>	Ampthill
15.10.18	<b>TECHNOLOGY AND INFRASTRUCTURE</b> <ul style="list-style-type: none"> <li>Medium Term Financial Strategy 2019/20 to 2023/24</li> <li>Council Tax Reduction Scheme Consultation Report</li> </ul>	Hollidge Ampthill
26.11.18	<b>ROTHER PUBLIC REALM STRATEGIC FRAMEWORK PROGRESS</b> <ul style="list-style-type: none"> <li>Performance Progress Report: Second Quarter 2018/19</li> <li>Revenue Budget and Capital Programme Monitoring to September 2018</li> <li>Housing Benefits Scheme</li> </ul>	Hart Ampthill
28.01.19	<b>DRAFT REVENUE BUDGET PROPOSALS 2019/20</b> <b>KEY PERFORMANCE TARGETS 2019/20</b>	Ampthill Maynard
18.03.19	<b>CRIME AND DISORDER COMMITTEE: TO RECEIVE A REPORT FROM THE COMMUNITY SAFETY PARTNERSHIP</b> <ul style="list-style-type: none"> <li>Performance Progress Report: Third Quarter 2018/19</li> <li>Revenue Budget and Capital Programme Monitoring to January 2019</li> </ul>	Ampthill Kirby-Green
29.04.19	<b>TOURISM TASK AND FINISH GROUP REPORT</b> <ul style="list-style-type: none"> <li>Call-in and Urgency Procedures</li> <li>Draft Annual Report to Council</li> <li>Review of Task and Finish Groups / Outcomes</li> </ul>	Hart

## ITEMS FOR CONSIDERATION

- Housing Allocations Policy