

# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

## 16 JULY 2015

**Chair:** \* Councillor Phillip O'Dell

**Councillors:** \* Richard Almond \* Barry Macleod-Cullinane  
\* Jeff Anderson \* Primesh Patel

\* Denotes Member present

### 40. Attendance by Reserve Members

**RESOLVED:** To note that there were no Reserve Members in attendance.

### 41. Appointment of Vice-Chair

**RESOLVED:** To appoint Councillor Barry Macleod-Cullinane as Vice-Chair of the Sub-Committee for the 2015/2016 Municipal Year.

### 42. Declarations of Interest

**RESOLVED:** To note that the following interest was declared:

Agenda Item 8 – Update on Council Tax Support Scheme Following Scrutiny Challenge Panel in November 2014

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he was Chairman of the Council Tax Support Scheme Scrutiny Review. He would remain in the room whilst the matter was considered and voted upon.

### 43. Minutes

**RESOLVED:** That the minutes of the meeting held on 26 March 2015, be taken as read and signed as a correct record.

**44. Public Questions, Petitions and References from Council and Other Committees/Panels.**

**RESOLVED:** To note that no public questions were put or petitions or references received at this meeting.

**RESOLVED ITEMS**

**45. Update on Council Tax Support Scheme Following Scrutiny Challenge Panel in November 2014**

The Sub-Committee received a report which provided Members with an update following last years review of the Council's Council Tax Support Scheme by Scrutiny.

Following an overview of the report by the Head of Service – Collections and Housing Benefits, Members asked the following questions and received responses.

Q – Did the number of cases in graph 2 page 17 relate to the number of people in the current year and had the overall numbers risen since 2012?

A – The figures related to the position in May 2015 and had dropped slightly subsequently. There were approximately 5800 pensioners with the remainder being of working age. This was in a context where there had been an increase of 300-400 domestic properties per year in Harrow, about 1000 in total over the last 3 years.

Q – Harrow, with a 97.3% collection rate was slightly over the national average of 97%. How was Harrow performing in comparison with neighbouring authorities?

A – The figures nationally and for London were available and the officer undertook to circulate the information to the Sub-Committee. Harrow was however performing very well and had achieved collection rates above the average for London and nationally.

Q – Had the appointment of 6 additional officers in Access Harrow for Council Tax improved the situation?

A – The 6 additional staff had been appointed in January 2015 so as to be in place when the council tax demands were distributed in mid March. There had been a significant improvement in waiting times as a result and the officer would circulate the figures. There were peaks and troughs due to increased activity when reminders were circulated or recovery demands issued,

Q – What had the demand been for the £250k in the contingency fund and how many times had the contingency be used for waiving charges?

A – The Portfolio Holder had allocated £1m to deal with vulnerable groups in 2014/15. The first £750k was growth for the revenues budgets and £250k was kept for the Portfolio Holder to determine and use for emergencies for vulnerable people as these came to life.

Regarding summons costs, £480k costs had been written off in the previous year. If the monies owed were not significant and a repayment plan had been adhered to the costs were written off. There was no write off if wilful refusal to pay was found.

The Section 13A hardship policy review had not yet been carried out as welfare reform details were awaited but discretion was being used in cases where vulnerability was found. A view to write off council tax or costs was taken on a case by case basis especially regarding cases brought to the Council's attention by the CAB where financial hardship may have been found. Some discretion was given to Access Harrow in accordance with the business rules but control and awareness of budgetary provision was required before staff could be given the authority to write costs off.

Q – There could be a potential reduction in cost to Harrow Council due to the economic upswing as there would be less CTS cases to administer. There was cross party concern should the economy change or a large business move out of the area and had the Secretary of State been written to?

A – Harrow had written to the Secretary of State and Department of Work and Pensions and copy letters would be circulated to the Sub-Committee.

Over the last 2 years there had been a substantial reduction in grant and some local authorities had carried out a study of the subsidy to evaluate if the original grant still covered CTS expenditure. In most cases local authorities found that due to reductions in Revenue Support Grant, the original grant was either not sufficient to cover current expenditure or the amount could no longer be identified as it was no longer ring fenced.

Harrow's average council tax band was a couple of hundred pounds higher than average. Members had decided not to change the parameters of the council tax scheme for 2016/17. Recent budget changes could result in an extra £500k pressure to the CTS scheme which the officer would be modelling. It could be possible to consult with the public with regard to the council tax support scheme in 2016/17 and change the scheme to increase the minimum payment to offset against lowering the taper. However, unless more monies were put into the scheme, making one change to a parameter just meant that another had to be changed detrimentally to offset the additional costs.

It would also need to be seen whether collection rates were sustainable to see if there was a further amount of monies released that could be fed back into the scheme to make changes.

Q – Are minutes of the Welfare Reform Board circulated and was there political involvement?

A – The officer undertook to ascertain whether the minutes could be made available to the Sub-Committee. Regarding Member involvement in deciding escalations of recovery action, this was inappropriate for case reviews. Members formulate policy and operationally officers had already set up a safeguarding checkpoint which was included in the process.

Q - How many bankruptcies had ensued so the position could be monitored?

A – Since the introduction of CTS no new bankruptcies or committals to prison had occurred. In practice, by the time bailiffs became involved the issue had been progressed and resolved. Approximately 50 cases were awaiting review later in the year, and some of these could be escalated to these recovery methods if they were agreed as part of the checkpoint verification process.

Q – The scrutiny review had received a table of court costs which identified Harrow as joint 10<sup>th</sup> highest in London. Could members have the calculations including how Lewisham was able to recover its costs or could it be considered by London Treasurers?

A – Costs such as staff numbers and central re-charges varied between authorities. Liability orders were generic and therefore could be automated which is an efficient process that keeps costs down. Council Tax costs/summons payments subsidised those written-off and those that could not be collected, and overall pay for the specific work that was required in running those court and pre-court processes to allow the council tax demanded to be ultimately collected.

Q – Was the public signposted to other organisations?

A – The Law Centre had access to the Head of Service and key staff. Additionally, the Emergency Relief Scheme was advertised for one year. JSA was a DWP responsibility.

Q – Should there be a Welfare Reform Board Sub-Committee for cross silo working?

A – The Chair agreed to raise this at Leadership group to see if assistance could be provided in respect of data sharing, legacy systems talking to each other and building relationships to make joined up working more sophisticated. The Officer agreed to circulate the Welfare Reform Board terms of reference.

**RESOLVED:** That the report and the actions carried out as set out in the report to Cabinet dated 11 December 2014 be noted.

#### **46. Revenue and Capital Monitoring**

The Sub-Committee received a report of the Interim Director of Finance, which had previously been considered by Cabinet on 17 June 2015. The report showed the Outturn position for the year ending 31 March 2015.

Following an overview of the report by the Interim Director of Finance, Members asked the following questions and received responses:

Q – When slippage fell into another financial year, was there an understanding of the effect on the delivery of service?

A – In the report on the first quarter to Cabinet in September 2015, the report would include capital slippage and the revenue implications thereon.

Q – Was the slippage capable of being used during the current year and was it possible to differentiate between genuine slippage and what is not spent?

A – The majority of the slippage related to the schools programme which should be completed in the current year. It was normal practice to refresh the capital programme to include what was agreed plus any changes. Whilst a lot of work had been undertaken on revenue and capital, there was still work to be done on capital. There was a need to be as accurate as possible in Quarter 1 with a narrative and to be consistent during the year.

Q – What were the reasons for the position with regard to Capita being appreciably different compared to the previous year?.

A – Provision had been made for the new contractors and the figures reflected the natural slowdown of spend as the contract ended. Payments to the contractor were not being released until approved by a senior officer.

Q – Reference was made to an overspend of £1.271m mainly due to increased demand for bed and breakfast accommodation. Why was 75% of the planned funding for the purchase of accommodation not being spent until the next financial year. Was there sufficient funding for the scheme and would it drive up rents?

A – Phasing over two years had been forecast taking into account an estimate of how quickly suitable properties could be procured. The up to date position on the homelessness pressure would be presented to Cabinet in September as part of the Quarter 1 Budget Monitoring report. The new scheme would be subject to review and could be exited if not as successful as envisaged. The Chair suggested

monitoring the scheme at a scrutiny leaders meeting in about 6 months.

Q – What were the works to Harrow on the Hill station referred to in Appendix 3?

A – This referred to feasibility studies for access works, with substantial funding from TfL.

Q – Page 34 stated that HB Public Law had delivered a contribution of £105k of which £102k had been moved to the Legal Expansion Reserve. The narrative stated that the contribution figure was £70k of which £67k was transferred to the expansion reserve.

A – The officer undertook to circulate the response to the Sub-Committee.

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

(Note: The meeting, having commenced at 7.30 pm, closed at 9.15 pm).

(Signed) COUNCILLOR PHILLIP O'DELL  
Chair