

MAIDSTONE BOROUGH COUNCIL

**MINUTES OF THE CORPORATE SERVICES OVERVIEW AND
SCRUTINY COMMITTEE MEETING HELD ON TUESDAY 1
NOVEMBER 2011**

PRESENT: Councillor Mrs Gooch (Chairman)
Councillors Mrs Wilson, Yates, Mrs Gibson, Hogg,
Paine, Pickett and de Wiggondene

72. The Committee to consider whether all items on the agenda should be web-cast.

It was resolved that all items be webcast.

73. Apologies.

Apologies were received from Councillor English.

74. Notification of Substitute Members.

There were no Substitute Members.

75. Notification of Visiting Members.

There were no Visiting Members.

76. Disclosures by Members and Officers:

There were no disclosures.

77. To consider whether any items should be taken in private because of the possible disclosure of exempt information.

It was agreed that all items should be taken in public as proposed.

78. Minutes of the Meeting held on 4 October 2011

It was resolved that the minutes of the meeting held on 4 October 2011 be agreed as a correct record of the meeting and duly signed by the Chairman.

79. Quarter 2 Complaints Monitoring Report

The Committee welcomed Ellie Kershaw, Policy and Performance Manager to the meeting. Miss Kershaw introduced the Quarter 2 Complaints Monitoring Report.

The Officer began by highlighting the success achieved by Housing in dealing with their complaints since the previous quarter. This had been achieved by redeploying an Officer whose role was dedicated to dealing with complaints. It was explained that Housing complaints were often complex but if the timescale to respond to a customer was exceeded the customer was kept informed throughout.

The Committee were informed that Waste and Recycling complaints, on further investigation, had not been issues with the service. There had been a problem with missed food waste collections due to contamination but these had been resolved. The Waste Manager had met with the contractors and procedures had now been put in place to combat future problems.

Members were informed that complaints satisfaction surveys showed that over 50% of customers were happy with the outcome of their complaint. Ms Kershaw explained that in the area of complaints handling 33% was considered 'good'.

Members considered point 1.3.1, 'In order to ensure that complaints are being dealt with effectively and within corporate timescales it is important that a monitoring mechanism is in place'. The Officer explained that this had been investigated to a level where she was satisfied that complaints had been understood.

Members sought a progress update on new IT system for managing complaints and were informed that it was ready to be launched. It would be used for front line service in the contact centre later in the month but the back office system would take a little longer.

The Officer referenced Green Sacks and a recent problem with stock levels. Members were informed that there had not been procedures in place at the Gateway to ensure that stock levels were monitored but these were now in place, the lesson had been learnt and the complaints dealt with.

The Chairman referenced a comment made at the Committee's previous meeting which had focused on the review 'The Council as a Business?' The business community had been asked what the council could do to improve its services and their response had been that they would like to see the planning system speed up. It was observed that this concern was not reflected in the complaints report. The Officer explained that for residents complaints were often more to do with developments in their local area.

It was resolved that the report be noted.

80. Revenues and Benefits Update

The Committee welcomed Steve McGinnes, Head of Revenues and Benefits to the meeting.

The Officer had been invited to attend the meeting to respond to recommendations made in response to the Quarter 1 Performance Report and the Quarter 1 Complaints Monitoring Report (Appendix A). Members had sought further clarification on the Fraud target detailed in the Performance Monitoring Report and a broader understanding of any issues surrounding Revenues and Benefits correspondence.

Mr McGinnes began by discussing Fraud. He explained that there had been changes to the Visiting and Fraud Function with a dedicated Fraud team established and a reduced Visiting team. It was felt that the responsibilities of the Visiting Team could be achieved more efficiently with customers being contacted by post. It was clarified that the Visiting Officer's responsibilities had been to check if residents were receiving the correct Benefits and to assist with changes to circumstances. One Visiting Officer had been retained to assist the Fraud Team.

Members sought clarification on the number of households receiving Benefits. It was explained that 10,000 households in the borough were in receipt of Benefits and generally fraudulent activity was low but it was labour intensive process for Officers. Members were informed that a low level fraud offence would be dealt with by a financial penalty. Fraud cases were risk profiled to decide whether they should be taken forward with the impact on the public purse as the main factor considered as a great time was needed to build a case for prosecution. Members considered whether it would be cost effective in terms of the achievable results to employ more fraud officers. Members were informed that there was no financial benefit to the council as benefits were funded centrally. With reference to the performance target, it was explained that changes in staffing and the structure of the team had occurred at the beginning of the year and the change to the target reflected the change in function.

Concerns were raised regarding the change to contacting customers by letter and how this would combat the discrepancies in information supplied that could impact on the public purse. It was explained that this was achieved by matching data with the Department for Works and Pensions (DWP) and Inland Revenue; information such as interest on savings which would change a benefit claim were reported to the fraud team as matter of course. Members queried whether the data was 'clean data'. It was explained that matching data meant that changes to information and any other changes were picked up routinely.

The Committee were informed of the changes ahead. In future the fraud function would change and a central team for all agencies would be established. By 2013 fraud would not be a council function. With regards to staff, Benefit fraud would transfer to the DWP. A consultation was ongoing at present and possible option would be that staff would be operationally based at Maidstone Borough Council (MBC) but would work for the DWP.

Mr McGinnes moved on to discuss the second area of concern for the Committee which was Revenues and Benefits correspondence. It was explained that the Government stipulated the financial information that

had to be included in each Benefits letter, how it was calculated and the right to appeal. MBC had very little influence over this but made every effort to use plain English. The Officer agreed that retrospective changes to a customer's Benefit award could result in a letter with a number of pages that could cause confusion. The Officer emphasised to the Committee that there was a duty to offer support to the customer and 'avoidable contact' was a key area for the council. Members clarified that included in the letter were details of where help and support could be found. In addition to this, it was explained that the benefits team worked closely with estate managers and took on their advice and feedback on the matter.

The Committee highlighted a case to the Officer where it transpired the customer could not read and questioned how well trained were staff to make judgement calls and deal with claimants fairly. Mr McGinnes informed Members that the frontline Customer Services team were very well trained and when the Benefits team were advised of any difficulties they would send out a welfare officer to assist with form filling. He highlighted that estate managers and welfare officers were also a good point of contact.

Members queried how often forms were reviewed and whether this was done by an expert body. The Committee considered the possibility of this being a task that could be undertaken by an Overview and Scrutiny committee. It was explained that application forms were reviewed regularly in-house and could achieve the crystal mark (Launched in 1990 by the Campaign for Plain English, the Crystal Mark has now become firmly established as the standard organisations aim for if they want to provide the clearest possible public information) to ensure they met customer needs. As part of the shared service with Tunbridge Wells they were already working on improving the common forms in use by both authorities.

Members highlighted the Single Person's Discount Form and the confusion caused by the majority of information that needed to be completed being found on the reverse of the form. Mr McGinnes informed Members that this form was one that the authority had total discretion with and it could be reviewed and made easier.

The Committee considered the withdrawal of Council Tax payment slips that had been highlighted by the complaints process. The Officer explained that there had been a high proportion of waste with the issue of payment slips as many residents opted to pay via direct debit, online or simply did not use the slips. As a result of the complaints made, all those who had contacted the council would be provided with payment slips in future.

At the discretion of the Chairman, Mr McGinnes gave the Committee a presentation on Welfare Reform and how the changes would affect Maidstone. Maidstone offered support for over 10,000 households, the density of claimants in the High Street and Park Wood was clearly

illustrated as well as a reasonable number in outlying areas by the GIS data presented.

The Committee were taken through a summary of the proposal to the existing Benefits scheme. It was explained that the changes began to come into affect from April 2011 but had so far only affected new customers. Existing customers had been protected until January 2012 when their annual review would take place. It would be at this time that their Housing Benefit would be brought down in line with the new Housing Benefit rates; this would make it more difficult for those renting properties in the Private Sector as benefit rates would be set at the market rate but would be capped. It was estimated that the changes would affect approximately 1800 households in the borough. A specific group highlighted that would be affected by the changes were single persons under the age of 35. Prior to the changes coming onto affect in April 2011 single persons under the age of 25 would receive a shared room rate in housing benefit but this was to be upped to the age of 35 and it was estimated that this change would affect 120 households.

Mr McGinnes informed Members that there had been a fall in the level of customer satisfaction in the last month but overall this remained high at 94%. He reported there had been no increase in complaints or applications for Discretionary Housing Payments so far as a result of the changes.

The Committee were told that Universal Credit which would bring all state Benefits together and they would be administrated centrally by the DWP. This would create one benefit claim that would potentially follow a customer though their lifetime. The aim was to remove the complexity of the Benefits system and the barriers this created for customers. The changes would not affect pensioners.

Payments would change to one single monthly payment which would result in a new requirement for customers to manage their money which was considered to be a risk area. The impact on landlords would be negligible as they would continue to receive regular payments but an area of risk remained where the benefit payments was going to the claimant.

Throughout the presentation and discussion there remained areas where the details were still to be provided by central government. The Committee were informed that Zena Cooke, Director of Regeneration and Communication was part of the national steering group so any further information and clarification would reach the authority sooner rather than later.

The DWPs aim was to deliver 80% of their service as an online self service. There would be a real time link between agencies. This would create a secure system with fewer onuses on the customer to provide information changes. Members raised concerns on the feasibility of an online, self service approach. It was explained that the target had been based on research and a business case. Mr McGinnes agreed to research

the target and provide the Committee with evidence on how it was achievable.

Members were all in agreement that the Benefits team were doing an extremely good job and asked that their praise was noted. Any issues surrounding the new scheme they felt should be directed to Central Government. They were in agreement that change was needed to achieve a cleaner and more simplified system but felt that any real problems would not surface until January 2012. Members felt they would benefit from regular updates on the changes as they develop and suggested that two to three examples of 'real' scenarios in Maidstone should be provided to the committee to further their understanding.

The final area discussed was the Local Council Tax scheme which was described as something that would give councils 'new freedoms to meet local needs'. The Committee were informed that national schemes were to be abolished and the expenditure would be returned to councils in the form of a un-ring fenced annual grant. Nationally there would be a 10% reduction in Council Tax benefit or £500m with an estimated £1.1m reduction for Maidstone from 2012/13. As part of the scheme pensioners and vulnerable needed to be protected which for Maidstone was equivalent to 46% of residents meaning that savings needed to be found elsewhere. A consultation was taking place to determine whether the risk could be shared with the County (Kent County Council). Members were informed that the timeframe for the consultation was limited with the new operation due to be implemented in spring 2013.

The Committee considered possible ways in which savings or income could be found. Their awareness that the council already had a high collection rate for council tax of 98% left them to resolve that there was little that could be achieved in that particular area.

It was concluded that there were significant changes to come for the authority and the effects would be far reaching across the borough from January 2012 onwards. With regards to the savings that would have to be found in the Council Tax benefit shortfall, it was felt that the council faced a difficult decision in who they chose to protect.

It was resolved that:

- a) The Single Person Discount Form should be reviewed and simplified and the Committee consulted on the changes made;
- b) The Welfare Reform presentation should be circulated electronically to the Committee by the Scrutiny Officer;
- c) The DWPs target of dealing with 80% of claimants via an online self service should be investigated by the Head of Revenues and Benefits and his findings on this reported back to the Committee;

- d) Steve McGinnes should provide 2 to 3 actual benefit cases such as a family a single person and a couple or pensioner and prepare a brief presentation to show the real financial calculation and affect of the changes; and
- e) The Committee should keep a watching brief of Welfare Reform and the timeframes for implementation. The Head of Revenues and Benefits should provide the Scrutiny Officer with important updates in order to keep the Committee up to date.

81. The Budget Strategy

The Chairman introduced Paul Riley, Head of Finance and Customer Service.

Mr Riley took the Committee through the most likely forecast for the Council's Medium Term Financial Strategy (appendix B). The Cabinet had made their decision on the Budget Strategy on 14 September 2011. The forecast showed the Committee the Council's current position and the next 5 years.

The first calculation 'Available Finance' showed the revenue support grant received from government, the loss incurred and the collection fund adjustment for Council Tax. Members were informed that the revenue support grant would be confirmed in January 2012 and that a 2.5% rise in council tax was included in the projection each year. The Officer explained that a correlation was made with the Consumer Price Index (CPI), and reflected rises in fuel and other utilities with the cost totalling £410,000 for 2012/13. Under the various headings, Inflation Increase, Contractual Commitments, National Initiatives, Local Priorities and Minor Initiatives, Various Priorities and Council Assets, incomes and losses were accounted for. Single Voter Registration scheduled for 2014 /15 was incorporated into the outgoing costs for 2014/15.

The Officer made reference to the £1.1 million deficit forecast as a result of the changes to Council Tax Benefit and collections. The Officer explained that from a financial perspective this shortfall would be shared with the other precepts for whom Maidstone collect on behalf of including the Police, Fire and Parishes. The government suggestion for 12 monthly payments for Council Tax, rather than 10 was highlighted to the Committee as this would prevent reinvestment. Although the Officer explained that payments could be changed to the 1st of the month.

Another Financial consideration highlighted was in relation to Welfare Reform, discussed under the previous item on the agenda, and the 'transitional costs' faced as Universal Credit was introduced. The loss of grant combined with the retention of staff as the scheme was phased in until 2017 would have a negative impact on the council's financial affairs. The Officer informed Members that there were still £700,000 to £800,000 of savings still to find for 2012/13. He explained that Senior Officers

would be aligning their decision making process with the council's priorities and the strategic plan rather than taking a 'salami slice' approach. Mr Riley highlighted areas where future changes to Council Tax and Benefits could affect services currently provided such as the Gateway and the Contact Centre.

The retention of Business Rates was explained to the Committee. It was explained that there would be a focus on incentivised business growth but that disproportionate success in this area would be levied which could impact negatively on Maidstone with only 10% being retained by MBC and the rest to go to Kent County Council (KCC). Concern was raised that Maidstone's structure had not been considered. The effect of this would mean that more Money would leave Maidstone for other areas in Kent. He explained that he hoped the consultation process taking place would reveal that there were still two tier authorities in place like Maidstone and not just unitary authorities to consider.

The Capital Programme was discussed. Members were informed that the Hazlitt Theatre's heating had been replaced and there was funding set aside to assist the Museum.

Mr Riley moved affairs on to the future including the council's Core Strategy and the Infrastructure Delivery plan that would follow He explained that a great deal of funding was needed to deliver the core strategy and he informed the Committee that changes to capital funding would include section 106 agreements and the introduction of a Community Infrastructure Levy (CIL). This was something that MBC would not have to give to KCC until they reached an agreement with KCC on changes they required to their infrastructure. It was discussed that the Leader of the Council, Councillor Garland had confirmed that the general principle would be to work with KCC on infrastructure and agreement would most likely take place once the Infrastructure Delivery Plan was in place from the Core Strategy which would demonstrate where needs were to be met.

Members were informed that a project was underway to address fees and charges. This would look across the whole council and provide comprehensive analysis of where there would be an ability to make an income.

Finally, Leader of the Council, Councillor Garland, updated the Committee on three main areas that he felt required further consideration. Members were informed that Cabinet would have to reconsider a saving that had been identified. The proposal would be not to reduce the funding for Concurrent Functions for 2012/13 (the grant scheme for Parishes in the borough) which would result in a need to find an additional £100,000 in savings. Councillor Garland informed the Committee that Parishes Members had been informed that in principle an agreement had been reached by the Cabinet Member for an interim period of 12 months which would result in the grant being maintained at its current level. He told Members that he was in support of this.

The last area discussed was the Council Tax Grant and the government proposal to keep council tax at 0% and replace it with a grant of 2.5%. Councillor Garland told the Committee that this would result in a loss of £375,000 year on year for the Council with a continued loss of 7m in total due to the accumulative loss of interest. Members considered whether Council tax should be frozen following the governments lead of a 0% rise against a 2.5% year on year increase which would result in a approximately £5 a year for a band D council Tax Payer. The Committee felt that it would be beneficially to investigate the opinions of other local authorities on the matter.

It was resolved:

- a) That Committee should investigate other authorities' opinions on the Government's decision to freeze council tax and replace this with a grant; and
- b) That the Head of finance should provide the Committee with a timetable for setting the budget for 2012/13.

82. Future Work Programme and Scrutiny Officer Update

Members considered their future work programme and the forward plan. Members resolved that the Parish Services Scheme should be the focus of the meeting on 29 November.

With regards to the changes to the Local Strategic Partnership and Locality Boards, it was felt that a written update would be sufficient. The Committee were informed that a visit to Braintree District Council had been proposed for December 2011 to gain an understanding of another authority's financial outlook and Medium Term Financial Strategy.

It was resolved:

- a) That the Parish Scheme should be the focus of the next meeting; and
- b) A Written Update should be provided by the Local Strategic Partnership lead officer to inform the Committee on the recent changes to the Local Strategic Partnership and Locality Boards.

83. Duration of Meeting

6.30p.m. to 8.48 p.m.