

CO-OPERATIVE & COMMUNITIES SCRUTINY COMMITTEE

Minutes of a meeting of the Co-operative & Communities Scrutiny Committee held on Thursday, 11th October 2012 at 6.00pm in the Reception Suite, Civic Offices, Telford

PRESENT: Councillors A. McClements (Chair), N. England, J. Greenaway, C. Mollett, G. Reynolds, S. Reynolds. Co-optees J. Ellis, R. Williams.

Also attending: Cllr. B. McClements, Cabinet Member Resources & Service Delivery; Cllr. L. Clare, Cabinet Member Adult & Social Care; Cllr. P. Watling, Cabinet Member Children & Young People; L. Higgins, Benefit Service Delivery Manager; S. Lane, Revenues Service Delivery Manager; S. Jones, Scrutiny Officer.

CCSC-6 MINUTES

RESOLVED – that the minutes of the meeting of the Co-operative & Communities Scrutiny Committee held on 8th August 2012 be confirmed and signed by the Chairman.

CCSC-7 APOLOGIES FOR ABSENCE

Cllrs. R. Evans. A. Jhawar, J. Loveridge, A. Stanton, K. Tomlinson. A. Astley, Assistant Director Customer & People Services.

CCSC-8 DECLARATIONS OF INTEREST

None

CCSC-9 Council Tax Support Scheme

The Chairman welcomed John Ellis who had been appointed to the Committee as a Town & Parish Council co-optee, and invited those present to introduce themselves. The intention for the meeting was for members to consider the proposed options for the Council Tax Support scheme and to ask questions. A further meeting would be held to formulate a response as part of the consultation.

Lee Higgins gave a presentation which provided a national overview and local background to the Council Tax Support (CTS) scheme; the assumptions, principles and proposals of the Telford & Wrekin scheme; detailed financial modelling of the impact of the proposed options on affected groups and other options which had been considered; the consultation process and timetable for approval.

The key points were:

- The government had decided to move away from the national Council Tax Benefit (CBT) scheme from April 2013 to a localised Council Tax Support (CTS) scheme. Authorities had discretion as to how they wanted to award financial assistance but DCLG prescribed the default scheme.
- Pension age claimants must be protected, but authorities had discretion to define other vulnerable groups for protection. The scheme must not disincentivise work.
- Authorities would be given a ring-fenced grant for CTS which would be 10% less than current CTB expenditure and with an assumed 2% reduction in caseload per year based on signs of recovery in the economy. There would be a funding shortfall in Telford & Wrekin of **£3.1million**.
- A Member/Officer group had developed the options for the CTS scheme. The timescales and IT system had limited the complexity of the scheme for the first year, but refinements could be made for year 2.
- The changes coincided with DWP changes to Housing Benefit which will also impact on working age customers, especially those with children.
- In Telford & Wrekin there had been a 19% increase in the CTB caseload since 2008 (75 more new claims in September than August). 18,465 (26%) households received CBT. The financial model therefore assumed a growth in caseload of 2% per year.
- The model assumed increases in Council Tax of 2.5% in 2012/13 and 2013/14. The model had been developed before the announcement about the cap on Council Tax increases without a referendum.
- The financial impact of the potential funding shortfall would be shared between the Council and Police & Fire Services, but Parishes were protected. There was an estimated total shortfall of £3.1million for the Council and £0.7million for the Police and Fire Services.
- The options for the Council were to subsidise the £3.1million funding gap by cutting services or by reducing Council Tax support. If the caseload increased without an increase in the grant, the deficit will grow year on year.
- 42% of the CTB caseload were of pension age and would be protected under the national default scheme. The burden of the cuts would therefore fall on working age claimants.
- The value of CTB paid to working age claimants was £8.4m in 2012/13 (projected to increase to £9.0m in 2013/14). The available grant for CTS was estimated at £5.8m for 2013/14, representing a 35% reduction in the amount available to

support working age customers. 8,100 of the 10,700 working age claimants were on JSA or below the minimum income guarantee figure and pay no Council Tax at all; 2,500 are on low pay and pay some Council Tax.

- Key principles of the Telford & Wrekin CTS were: the cut in funding should not mean cuts to other Council services; to protect vulnerable claimants; the cuts should be shared fairly across working age claimants; to protect vulnerable claimants; the needs of those with children or caring responsibilities should be recognised (but the cuts would still apply); the scheme should not discourage employment.
- The key features of the proposed scheme were:
 - To define the severely disabled as a protected vulnerable group
 - To cut the amount of CTS paid to non-vulnerable working age claimants by 21%
 - Remove exemptions and discounts on empty properties and second homes
 - Introduce an empty homes premium of 150% for properties vacant over 2 years - this would incentivise landlords to bring properties back to use
 - Reduce the savings and capital limit for claims from £16,000 to £6,000 - those with savings are comparatively less financially vulnerable
 - Limit backdated claims to a maximum of one month (from 6)
 - Introduce a minimum £2.50 award level i.e. people entitled to less than £2.50 support would receive nothing
 - Remove the second adult rebate for working age customers - the 25% discount can be claimed regardless of the income of the tax payer
 - Introduce a discretionary fund of £65k for cases of extreme financial hardship.
- Examples of other authorities' schemes were given.
- The consultation closes on 26th October. Once the feedback has been considered the final proposals will go to Full Council in November assuming the legislation has received Royal Assent.

Members were also taken through detailed financial modelling to consider the impact and implications of the proposed scheme, and alternative models. This showed:

- The removal of the empty property/second home exemptions and discounts was very controversial with landlords who had argued for a minimum one week exemption, but this was the element that would have the greatest impact on the scheme. Removing the discounts and exemptions would generate an estimated £1.2m towards offsetting the £3.1m funding gap. Adding in the removal of the second adult rebate, the reduction of the savings cap to £6,000, reducing maximum backdate to one month and introducing a minimum weekly award would increase this to £1.4m. The effect of these changes would be to keep the reduction in benefits for working age non-vulnerable claimants to 21% as opposed to 38% if the changes were not introduced. Any exemption granted on empty properties would mean a corresponding increase in benefit cuts for working age

non-vulnerable claimants: 1 week exemption = 23.4% cut, 2 weeks = 24.8%, 1 month = 27.5%. These options could be considered as part of the consultation.

- For households with children, the proposed scheme retained the elements currently built into the CTB scheme that advantage households with children i.e. Child Benefit and Maintenance, additional income exempt from CTB (additional £17.40 for families, additional £64.99 for each child), up to £300 for claimants or partners paying childcare costs - all of these would be disregarded as income under the CTS scheme. However, families or claimants with children would not be defined as vulnerable and the cuts would apply under the proposed CTS scheme. An example was given to show the impact of the proposals on a working age couple, both working but on a low income, and the impact on the same couple with the addition of a child. For the childless couple, CTB at £1.83pw would be removed under CTS minimum award, and for the couple with a child (taking into account £116.10 additional income from Working Tax Credit, Child Tax Credit and Child Benefit), the existing CTB entitlement of £2.57 would reduce by 21% to £2.03pw.
- Treating households with children as vulnerable would mean the whole of the funding gap would have to be shared between the 4,490 non-vulnerable working age claimants. Protecting all households with children would cut their benefit by 51%. Protecting households with children by age group would mean cutting benefit for working age non-vulnerable claimants by a corresponding amount: child under 5 = 29% cut, child under 4 = 27.4%, child under 3 = 25.7%, child under 2 = 23.9%, child under 1 = 22.2%.
- There were grave concerns about the impact of the cuts on unemployed young people. Claimants on JSA receive £56.25 per week, so cuts in benefit would have a very significant impact. Under the proposed scheme, working age non-vulnerable claimants in a Band A property (6,700 live in Band A, 2177 in Band B, 569 in Band C) would be affected as follows:
 - a) Existing CTB = £0
 - b) 21% CTS reduction = £20.44pm over 10 months
 - c) If empty properties exempt for one month = £22.34pm over 10 months
 - d) If all families with children protected = £48.70pm over 10 months
 - e) If both c) and d) above = £63.40pm over 10 months, or 26% of entire incomeCoupled with this, the changes to housing benefits and other welfare reforms were likely to have a big impact on young people under 25.

At the end of the presentation the Chairman invited Cabinet Members to make comments. Cllr. McClements felt that CTS should have been rolled into the Universal Credit to make it easier for people to manage their budget. He expressed concern about the expense of collection, the risk of bad debt, and confusion for people migrating across authorities with different schemes. He emphasised the fact that the scheme had needed to be developed quickly and that it had been kept simple to administer to avoid the costs of assessments. Other authorities had protected families with children, but this was at the cost of other working age claimants. Further

revisions may be required over coming years if the caseload continues to increase. The property exemptions had been removed to incentivise landlords to keep or bring properties into use, and to protect unemployed people and those on low or minimum wage. Cllr. Clare expressed concerns about the potential impact of the housing benefit changes and the introduction of the Universal Credit and the lack of one-bed roomed properties and risk of homelessness. Cllr. Watling regretted the fact that the cuts had to be made, but there was no choice. Front line services needed to be protected. He was also concerned about the cost of collection and risk of bad debt. He felt the cuts to the welfare system could be a false economy because the consequences would put pressure on other services.

Members then asked questions and commented on various points:

- *How has the grant been calculated and when will it be reviewed?*
The Department for Communities & Local Government (DCLG) had calculated the grant as 10% below current CBT expenditure plus an assumed 2% reduction in caseload based on the belief that there were signs of an improvement in the economy. There was no indication as to whether or when the grant would be reviewed, but it was felt that if the government has assumed a 2% reduction in case load then this could be applied year on year to the grant. The Department of Work & Pensions (DWP) had based its assumptions on figures from the Office of National Statistics – the Local Government Association had asked the government to provide the figures so they could be scrutinised but to officers' knowledge this hadn't happened. Locally, there were no signs of improvements in the economy and the CTS scheme had assumed a 2% increase in caseload based on current trends.
- The presentation showed that 26% of households currently receive some CBT, of which 42% are pensioners who are protected from the changes. Members requested a breakdown of the remaining claimant caseload which would be provided after the meeting.
- *How has the shortfall from failure to collect been projected, has adequate provision been made, and how is this shared across the Council, Police & Fire Services and Parishes?*
The collection rate for 2011/12 was just above 97% which was similar to the national average. £600k had been built into the model as provision for default, but there was a high level of uncertainty about this. Only around 20% of working age benefit claimants affected already paid some element of Council Tax and the majority would be making a contribution for the first time making it very difficult to predict the level of default with any degree of accuracy. The model allowed for a 70% collection rate (or 30% default) for claimants who have never paid Council Tax before. It would be possible for the Council to pursue debtors through the courts and take payments directly from their benefit, but this was not desirable because of the cost of administration and court fees.
Currently, under the CTB scheme, the Police and Fire Services are protected from the impact of defaults on Council Tax and the Council carries the whole risk.

Under the CTS scheme, the risk / impact of non-collection will be shared between the Council and the Police and Fire Services, but the Parishes will be protected and this had been factored into the projected impact of reduced collection.

- *The government has prescribed the protection of claimants of pension age. How will caseloads be affected by increases in the pension age and the growing ageing population?*

The pension age is set nationally and the local CTS scheme will recognise this. As the pension age increases claimants will be recognised as working age for longer and this will off-set the growth in the ageing population so it is anticipated there will be a negative impact.

- Members raised various concerns about the potential consequences of the cuts to Council Tax benefit, taken in conjunction with other welfare benefit reforms, and the risks of increased rent arrears, debt and homelessness which may put pressure on other Council services which cost more than the scheme saves.
- *What national and local consultation has there been?*
DCLG consulted on the proposals and amount of grant and have published a statement of intent which sets out what they would like to see in the final regulations. The regulations have yet to receive Royal Assent, but it was felt unlikely there would be changes. The regulations set out the national defaults for CTS. As it stands, the 25% single person's discount will remain - in Telford & Wrekin a reduction to 20% would fund the deficit in full. The Council had responded as part of the national consultation, and the Leader continued to lobby and had recently written to DCLG to make points back to government.

DCLG specified a minimum 9 week consultation on local options and because of the tight timetable for implementation had suggested this should start before the regulations were launched. In Telford & Wrekin there had been a 12 week consultation involving all households and not just those in receipt of Council Tax benefit to canvass a wider view from landlords, people with second properties etc. "Your Voice" had been sent to all houses in the borough, there had been three headlines in the Shropshire Star, 2 in the Telford Journal, Bill McClements had been on Radio Shropshire, there had been six consultation forums including a public open evening and sessions with Town & Parish Councils, landlords and disability groups etc. There had been around 240 responses and this was the most tweeted topic on the Council's Twitter page. All feedback is captured, including Tweets. Once the final scheme is agreed, all claimants would be written to in January to tell them how much Council Tax they will pay from April.

- *Did you look at other Council's schemes?*
Other authorities' schemes had been looked at, and the Benefits Service Delivery Manager had attended a session at DCLG attended by about 65 other authorities all of which were applying funding cuts. Of neighbouring authorities, Wolverhampton, Dudley, Walsall & Solihull were funding their schemes in full for the first year. Birmingham was reducing CTS to fund the gap, primarily by

removing the empty property discounts and making everyone pay the first 24% of their Council Tax so CTS will only be calculated on the remaining 76%. It was felt this was a harsher scheme than proposed for Telford & Wrekin as discounts would apply to the whole amount. Cannock Chase were making changes similar to the Telford & Wrekin options, except they were proposing to protect families with children under 5, but to offset this, all other families' Child Benefit and Maintenance would be included in the assessment of income.. Shropshire, Sandwell and Coventry were still considering options and had not made any decisions. Some Councils were capping based on property banding, but in Telford & Wrekin the majority of CT claimants fall within Band A or B and there were not enough in the top bands to warrant introducing the complexities of this kind of scheme. A breakdown of caseload by property banding would be provided after the meeting.

- Members had concerns about child poverty and about how the proposals support families with children when this is a priority for the Council.
- *How is "severely disabled" defined?*
The intention is to adopt the DWP definition and this had been published as part of the consultation. Members requested clarification on which rate of Attendance Allowance would apply as a qualifying benefit. Essentially, the definition covers people who are unable to work because of a disability. It would not cover people who are disabled but assessed as able to work who cannot find work. Moving away from set criteria would introduce the need for an assessment which would be very expensive. There is a problem because the Income Support system does not record which claimants are "severely disabled" and they will have to be identified by April. The definition may change with the introduction of Universal Credit but that is not until 2014.
- *Will the removal of the empty property exemption apply to young people who have saved to buy a property which is not habitable (e.g. no bathroom/kitchen) which they intend to do up to live in?*
This is a hard choice because we need investment in housing, but on balance it was felt fairer for people who could afford to save and buy to pay Council Tax than to exempt empty properties and put an extra burden on people with little money. This proposal will have a high impact on landlords. There was a consultation session for landlords and they raised big concerns about the proposal and have asked for a period of exemption to cover vacant periods between tenancies to be considered.
- *Do you think the removal of the exemption on empty properties in need of repair will deter landlords from taking on properties in need to repair which will have an impact on the housing market?*
Possibly, but removing the exemption may encourage landlords with properties needing repair to get on with the work.
- Members were concerned that developers would delay legal completion of properties to avoid Council Tax when the property may only need door knobs.

- *How many empty properties are there and how will they be identified?*
Empty properties are easy to identify now because the owner/landlord claims the exemption. In future, there will be an issue with identifying the properties and enforcing the payments. No provision has been made for this within the projections because it is unknown.
- *Will properties under probate be liable for Council Tax?*
The property would be subject to an exemption until probate is granted.
- *How is the £6,000 savings and capital limit calculated?*
It will include property other than the main residence, savings, stock, bonds, shares etc. It will not include assets such as cars or personal possessions.
- *How will the recent announcement about the 2% cap on Council Tax without a referendum affect the proposals?*
The proposals assumed a 2.5% increase in Council Tax for 2013/14. If the increase is lower this will have less impact and less risk which would be good news.
- *Why is Council Tax paid over 10 months, and can the payments be spread over 12 months to make them more affordable?*
The national statutory instalment scheme is that Council tax is paid over 10 instalments and this will remain, although people can request payments spread over 12 months. This happens now.
- *Could landlords structure tenancies so they expire during February/March when Council Tax is not paid to avoid paying the tax if there is a void between tenancies?*
No. Council Tax is paid in 10 instalments but covers the whole 12 months - February and March are not "free" months. Tenants are liable for Council Tax for the period of occupancy - their liability generally ceases on the day they move out and the landlord then becomes liable, unless they still have a current tenancy agreement. If a tenant moves out in January, they receive a rebate on pro rata overpayments and the landlord will assume liability.

At the end of the discussion it was agreed that the Committee would meet again on 23rd October to consider the information and agree a response for submission as part of the consultation and to Cabinet.

CCSC-10 2012/14 WORK PROGRAMME

Members noted the date of next meeting on 23rd October, and the meetings of the Co-operative Commission and Employee Commission on 12th and 19th October which members had been invited to attend.

The meeting ended at 7.50 p.m.

Chairman:.....

Date:.....

CO-OPERATIVE & COMMUNITIES AND BUDGET & FINANCE SCRUTINY COMMITTEES

Minutes of a meeting of the joint Co-operative & Communities and Budget & Finance Scrutiny Committees held on Tuesday, 23rd October 2012 at 6.00pm in the Reception Suite, Civic Offices, Telford

PRESENT: Councillors A. McClements (Chair), N. England, R. Evans, A. Jhawar, C. Mollett, G. Reynolds, S. Reynolds, R. Sloan, . Co-optees J. Ellis, R. Williams.

Also attending: A. Astley, Assistant Director Customer & People Services; L. Higgins, Benefit Service Delivery Manager; S. Jones, Scrutiny Officer.

CCSC-11 APOLOGIES FOR ABSENCE

CCSC-12 DECLARATIONS OF INTEREST

Cllr. Sloan declared a non-pecuniary interest in matters relating to DWP.

CCSC-13 COUNCIL TAX SUPPORT SCHEME

Cllr. McClements reminded members that this was a joint meeting of the Budget & Finance and Co-operative & Communities Scrutiny Committees. This followed the meeting on 11th October and the purpose was to agree a joint response from the Committees to submit as part of the consultation on the proposed Council Tax Support (CTS) scheme.

Since 11th October the government had announced additional funding for transitional grants which local authorities could apply for to support the CTS scheme during the first year. The Assistant Director and Benefits Manager gave a briefing on the Transitional Grant Scheme making the following points:

- £100m had been made available nationally for authorities to apply for transitional grants after 31st January 2013 to support CTS schemes in 2013/14.
- The grant would be subject to a number of restrictions. The following limitations would apply to the proposed Telford & Wrekin CTS scheme:
 - the benefit entitlement for working age customers currently paying no Council Tax could be reduced by no more than 8.5% (the current proposal was 21%)
 - the maximum increase in earnings taper for working age customers not receiving full benefit would be 25% (currently 20%)
 - to ensure the calculation of CTS is based on 100% of Council Tax liability
 - limit dramatic increases in non-dependent deductions.
- Assuming the other elements of the proposed scheme remained unchanged, the

restrictions would have the following anticipated impacts:

- Applying for the grant would leave an overall estimated funding gap of £679k in 2013/14. The transitional grant would be worth £336k but restrictions on the scheme would mean collecting over £1m less. The deficit could not be passed on to benefit claimants and would need to be met internally.
- Increasing the taper to 25% would generate £189k additional income but could act as a disincentive to work contrary to the principles of the CTS scheme
- The Council would need another consultation on the revised scheme – even if this was launched immediately it would allow very limited time to make the necessary changes to the systems by April 2013.
- The Local Government Association (LGA) had claimed that the grant would be equivalent to 80% of the deficit from the reduction in the grant for Council Tax Support schemes, but this had assumed a reduction in case load and no increase in Council Tax.

Following the briefing there was a discussion during which members made a number of comments and asked a number of questions.

- Members were sceptical about the assertion that the Transitional Grant was equivalent to 80% of the funding deficit for authorities with a demographic like Telford & Wrekin.
- Members wanted further details about the impact of a further consultation and were told that the latest Councils could approve the CTS scheme was 31st January so a new consultation would need to be launched immediately to have the scheme approved by then. However, there was a huge amount of work to do on the systems and staff training once the scheme was approved and delaying approval until 31st January would make this very difficult. Even approving the scheme in November made the timescale for making the changes challenging.
- The legal position on consultation is that Councils can consult on a range of options but must then consult on the final proposed scheme. Because there would not be time to carry out a two phased consultation, if the Council decided to apply for the Transitional Grant there would only be one consultation on the final scheme which would have to assume the grant would be awarded at the level announced i.e. £336k for Telford & Wrekin although applications could not be made until after 31st January.
- The £100m funding allocation was thought to be for authorities in England (as opposed to nationally) and this would be confirmed after the meeting. The allocations for individual authorities had been based on a funding formula and the figure of £336k for Telford & Wrekin was the amount that would be awarded should the Council apply and there was certainty about the amount.
- The consultation on the proposed CTS scheme was still open. Feedback was being gathered and there seemed to be general support and agreement on the fairness of the scheme.

- Members examined and queried the figures presented and considered the financial implications of applying for the grant. Officers clarified that:
 - the grant would be £336k
 - an 8.5% cut in benefit for the 8,753 working age claimants paying no Council Tax would raise £542k but overall collection would be around £1.2m less than if the cut was 21% as proposed
 - the transitional grant would mean increasing the existing earnings taper level from 20% to 25%. This would mean an additional £189k would be collected, but would create a disincentive to work contrary to the principles of the CTS
 - overall, taking the grant and applying the restrictions would leave a deficit of £679k
 - the deficit could not be passed onto benefit claimants and would have to be found internally.

Members commented that in all likelihood this would mean making cuts to services which would undermine principle 1 of the CTS scheme. Also, the premise of the proposed scheme was to incentivise work and members were concerned that the Transitional Grant scheme may compromise this.

- Members wanted to know why the funding had been announced, and why it had been announced so late in the day when Council's had already consulted on, or were in still consulting on, CTS schemes. Officers could not comment on this, but it was noted there had been some opposition in the media to the welfare reforms and this could have put pressure on the government.
- It was too early to say whether other Councils would apply for the grant but information would emerge over the following couple of weeks.
- Members wanted to know if the Council took the grant whether the 8.5% cap on benefit cuts for working age claimants paying no Council Tax could be increased to 21% (as proposed in the current scheme) for the following year. Officers said that at the moment the Transitional Grant was only available for the first year so the restrictions would only apply for 2013/14 and thereafter authorities could reduce benefit further. The government's intention was to help authorities to monitor the impact of more limited changes and to gauge reaction during the transition year to help inform further changes to the scheme. However, new guidance was being issued by DCLG regularly and this could change in future.
- Under the CTS, the impact and risks of the funding reduction is shared between the Council and Police & Fire Services. The Town & Parish Councils are protected and this is a decision which was made nationally by DCLG.
- Members were very concerned about the cost implications of making the changes to IT systems and administering the CTS. Cllr. Sloan suggested this could be an issue for scrutiny to look into with scrutiny committees in other authorities. The AD welcomed the suggestion – the constraints of the IT system and staff training requirements had limited the options for the first year and the approach had been

to keep the scheme simple with the emphasis on getting the assumptions right. The scheme would be monitored during the first year of implementation to identify revisions to improve it for the following year and scrutiny's input would be welcome. From an IT point of view, different authorities operated on different platforms, although there were some who used the same system as Telford & Wrekin so there could be some opportunities to look at cost savings from joint working with those authorities.

- Members asked whether the Council had lobbied government on the CTS funding and the AD replied that there had been strong lobbying.

The AD and Benefits Manager left the meeting at the end of the questioning. Members then considered the information provided at the meeting on 11th October and at this meeting to agree their comments on the proposed CTS scheme.

Members first discussed the information on the Transitional Grant making the following comments:

- Cllr. Jhawar was concerned that £679k was a big funding gap and was likely to have an impact on other services, but also concern about the impact of the benefit cuts on claimants.
- The Chair was concerned that the CTS scheme was intended to incentivise work but the Transitional Grant did not support this.
- Cllr. S. Reynolds was concern about how the public would perceive the decision if the Council decided not to apply for the Transitional Grant, and the Council would be seen to be turning down money which could help people on benefits.
- Cllr. G. Reynolds felt that felt that the Transitional Grant was only a temporary solution and although the decision to cut benefits was horrible, the Council would only be storing up problems for the following year.
- Mr. Ellis felt that the Council should welcome opportunities to limit the impact of cuts on the public, but that to receive £336k to forgo £679k did not make financial sense, would jeopardise public services and would only defer difficult decisions for a year.
- Cllr. Sloan agreed with these remarks. He could see that the Transitional Grant scheme could help ease the transition for people who have never paid Council Tax before and that in the longer term this could improve collection rates and reduce the cost of collection, but in terms of the broader finances of the Council the grant did not make sense. He further commented that he felt Council Tax benefit should have been incorporated into the Universal Credit.
- Cllr. S. Reynolds thought that even if the grant meant there were improved collection rates over the longer term, the rate of improvement was unlikely to be

significant enough to offset the loss of £679k and applying for the grant did not add up for Telford & Wrekin, and that it was storing up problems for the following year.

- Mr. Williams was worried that the deficit would be made up by cuts to council services and that service cuts could impinge on vulnerable people.
- Mr. Ellis asked for clarification on whether any funding surplus created by authorities not applying for the grant would be redistributed to the applying authorities or whether it would go back to the Treasury. The Chairman replied that it was unlikely the surplus would be redistributed because grants are usually allocated on a formula basis, but clarification would be sought after the meeting.
- Cllr. England said he would not be in favour of the Council taking the grant.

Members then considered the information provided at the meeting on 11th October, additional information provided by e-mail in response to questions and further information heard at this meeting about the proposed CTS scheme. The following points were made during the discussion:

- Cllr. Sloan felt the scheme was as good as it could be for the first year, but that once it was up and running there needed to be an assessment of the unintended consequences to make improvements for 2014. He suggested that the Budget & Finance Scrutiny Committee and the Co-operative & Communities Scrutiny Committee should join up to scrutinise this over the year post-implementation. The Committees could look at the CTS scheme, the impact of changes to housing benefit and changes to the Social Fund, perhaps by looking at the impacts on the groups of people. There was agreement from members on this suggestion. Mr. Ellis further suggested that the Committees could work with scrutiny committees in other authorities to join up on wider issues related to Universal Credit and collection methods.
- Mr. Williams regretted the fact that cuts to benefit needed to be made but felt the proposed scheme was the least worst option and that if any aspect of the scheme was changed it would have an impact on other groups.
- The Chairman felt that on balance the scheme was the fairest possible.
- Cllr. S. Reynolds felt the scheme was the best possible that could be designed within the tight time and IT constraints and agreed that the scheme should be reviewed post-implementation.
- Cllr. Sloan felt an argument could be made for changing the single persons' discount which was set nationally.
- Members felt that there had been adequate consultation on the proposals and as efforts had been made to reach all people in the borough and not just those on benefit, but there were concerns that the consultation (Your Voice) may not have

reached people affected by the changes because some people put Your Voice in the bin without reading it. Members felt that an awareness campaign should continue, and that low or no cost ways of reaching target groups should be looked and Cllr. Reynolds suggested printing messages on housing benefit slips. Cllr, Sloan agreed this was important – nationally DWP had a campaign to telephone people affected by the benefit cap up to a year in advance.

- Cllr. G. Reynolds wanted to see consideration given to how empty properties would be identified and how the tax would be enforced, and whether tax liability would start from when the property is identified as being empty or be backdated.
- Members praised the hard work of the benefits team in preparing and presenting complex information for scrutiny, especially the Benefits Service Delivery Manager Lee Higgins.

At the end of the discussions the Chairman sought agreement from members that:

- The Committees make a recommendation to Cabinet members through Policy Review that the Council should not apply for the Transition Grant
- That a joint response from the Co-operative & Communities and Budget & Finance Scrutiny Committees would be submitted as part of the consultation on the CTS scheme and that the Scrutiny Officer would draft the response based on the discussion for comment and agreement by Members.

On a show of hands all Members except one were in agreement with both points.

RESOLVED:

- **That the Committees make a recommendation to Cabinet members at Policy Review that the Council does not apply for the Transitional Grant**
- **That a joint response on the CTS scheme will be submitted as part of the consultation**
- **That the Co-operative & Communities Scrutiny Committee and Budget & Finance Scrutiny Committee carry out a joint review of the CTS scheme post-implementation and other aspects to be scoped.**

CCSC-14 2012/14 WORK PROGRAMME

Members noted the date and agenda items for the next meeting at 6.0pm on 27th November 2012.

The meeting ended at 7.50 p.m.

Chairman:.....

Date:.....

TELFORD & WREKIN COUNCIL

REPORT TO CO-OPERATIVE & COMMUNITIES SCRUTINY COMMITTEE – 27th November 2012

UPDATE ON IMPACT OF LEISURE CONCESSIONS REVIEW REPORT OF: The Leisure Service Delivery Manager

1. PURPOSE

- 1.1 To present information in respect of the impact of the changes to the Leisure concessions scheme recommended by the Co-operative & Communities Scrutiny Committee as part of the 2012/13 budget strategy.

2. SUMMARY

- 2.1 The introduction of changes to the concessions scheme has resulted in a small number (approximately 10) formal customer complaints which should be viewed in the context of the 6,500 adult concessionary Flex card holders at the time. All formal complaints were dealt with at stage 1 of the corporate complaints procedure. The impact on usage from concessionary groups is forecast to be in line with or lower than was anticipated.
- 2.2 It is projected that the identified £50k savings target associated with the review of concessions will be achieved.

3. INFORMATION

- 3.1 A review of the Leisure concessions scheme was undertaken by the Co-operative & Communities Scrutiny Committee in December 2012. The following changes were recommended to Cabinet and following consultation were subsequently included as part of the 2012/13 budget strategy.

- To remove the automatic concessionary status for new over 60s except for those in receipt of Pensions Credit;
- To introduce a flat rate £1 charge for swimming for all concessionary groups;
- To standardise and increase concessionary Health & Fitness membership to £21.50pcm for all members;
- To remove concessions on golf for all groups.
- That the existing Arthog Remissions Policy is retained.

3.2. 60+ Entitlement

- 3.2.1 The decision to remove automatic concessionary status for new Flex card applicants aged 60+ has resulted in a small number of complaints and comments, however, those in receipt of Pension Credit continue to qualify for concessionary status.

3.3 Concessionary Swimming

- 3.3.1 Assessing the likely impact of introducing charges for concessionary swimming was undertaken through the application of various models which assumed a direct link between the level of charge and the number of admissions. The preferred option was to introduce a £1 charge which it was projected would result in £23k income with a 25% reduction in concessionary swim admissions.
- 3.3.2 It is difficult to accurately compare concessionary swimming admissions due to the closure of various pools for refurbishment and the move from Madeley Court to Abraham Darby. However, £14.3k income (17,160 admissions) has been recorded for the first 6 months of the financial year which compares with a full year savings target of £23k. As such current performance would indicate that the savings target will be achieved with a projected drop in concessionary admissions of between 20-25%.

3.4 Health & Fitness

- 3.4.1 Unlike swimming changes to the health & fitness membership scheme carried an additional financial risk, in that by increasing membership fees the number of members may fall therefore resulting in a reduction rather than an increase in income.
- 3.4.2 The standardising of the health & fitness membership fee to £21.50 has not adversely affected membership levels. In fact health & fitness membership across the facilities has increased as a consequence of investment into facilities and equipment at sites such as Abraham Darby and Wellington Civic & Leisure Centre.
- 3.4.3 The number of concessionary health & fitness memberships is currently 888 compared with 614 reported in December 2012. As such the projected level of savings (£14k) will be exceeded.

3.5 Golf

- 3.5.1 The removal of discounts for concessionary groups at Horsehay Village Golf Centre has not had any noticeable customer impact. The projected increase in income (£5k) will not however be achieved this year as a result of reduced income levels attributable to the adverse weather conditions experienced throughout the summer months.

4. RECCOMENDATIONS

- 4.1 It is recommended that the report be noted.

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

1. Background

On the 08 August 2012 the Co-operative and Communities Scrutiny Committee decided to carry out an independent review of the:

- **Employee Commission** – to establish whether the commission has effectively engaged our employees in moving forward our approach to co-operative working within the Council.
- **Co-operative Values** – how well the Values have been communicated and put into practice both within and outside the organisation.

2. Existing information to support review

Appendix 1 provides a background to the Employee Commission, existing feedback from members of the commission and other useful information to support the review.

Appendix 2 provides background and work to date to communicate and embed the Co-operative Values and information to support the review.

3. Scoping

The scope of the review will be discussed at the next Co-operative and Communities Scrutiny meeting on 27 November 2012.

To aid discussion, possible review areas are outlined below:

Review area	Activities
Employee Commission	
Review employee awareness of the work of the employee commission – for employees who haven't been directly involved in the Commission.	<ul style="list-style-type: none"> • Consultation with employees' e.g. one to one discussions, focus group. • To engage employees without access to PC you could speak to Communication Champions
Understand the views of Employee Commission members regarding the process and how they have been involved.	<ul style="list-style-type: none"> • Review of existing feedback to identify areas of focus - see Appendix 1 • Consultation with members of the Employee Commission e.g. one to one discussions, focus groups - we can provide you with a list of commission members for you to select or select some for you to work with.
Review the outcomes that have been delivered by the Employee Commission.	<ul style="list-style-type: none"> • Review the impact of the work of the employee commission sub-groups by: <ul style="list-style-type: none"> ○ Reviewing progress reports (Oct 2012) and information from last Employee Commission meeting 19 Oct 2012. ○ Reviewing observations from the Scrutiny members who attended the Employee Commission meeting on 19 Oct 2012. ○ Each theme sub-group is currently developing measures of success. These measures could help to assess the impact in the longer term.
	<ul style="list-style-type: none"> • Identify lessons learned and principles from the Employee Commission which should be build into the new Employee Forum model.

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Review area	Activities
Review the effectiveness of the Employee Forum once it has been launched (Jan 2013).	<ul style="list-style-type: none"> Consult with employees who have been involved. Evaluate number of employees attending and outcomes
Co-operative Values	
Review employee awareness and understanding of the co-operative values (Phase 1 – employees)	<ul style="list-style-type: none"> Consultation with employees' e.g. one to one discussions, focus groups, emails. An Energy Meter is being developed which is an easy to use online engagement tool. Towards the end of 2012, the Energy Meter will be launched and employees will be asked a series of questions to find out how satisfied they are in their current role. One of the questions will be: 'How well informed do you feel about the council's values and priorities?' <p>The results of the questionnaire can be forwarded to Scrutiny to inform their assessment</p> <ul style="list-style-type: none"> Re-run the same questionnaire in 12 months.
Review external awareness and understanding of the co-operative values (Phase 2 – external)	<ul style="list-style-type: none"> Review feedback from Co-operative Commission meeting 12 Oct 2012. The focus has been on communicating values internally. However, a plan is being developed to communicate the values externally.
Review how well the council is embedding the values within the Council	<ul style="list-style-type: none"> Review the work carried out to date to embed the values. Review existing feedback - see Appendix 2. Investigate examples of best practice and identify where we are not doing so well and how we can improve. Make recommendations about how we can do more to embed the values

4. Main Officer contacts

Debbie Byle, Project Officer – Co-operative Council Delivery Team (tel. 380137 email debrah.byle@telford.gov.uk)

Stephanie Jones, Scrutiny Officer (tel. 383114 email Stephanie.jones@telford.gov.uk)

5. Next steps

- Agree review scope and timescales with Co-operative and Communities Scrutiny Committee.

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

Appendix 1 – The Employee Commission

Background

As part of the Council's commitment to become a Co-operative Council, in July 2012 members agreed to establish an Employee Commission to invite employees in developing the approach to co-operative working within the Council.

The ethos of the Employee Commission is that it is employee-led, open to all and offers a new way for employees to get involved in shaping the organisation.

In September 2011, the opportunity for any employee to be a member of the Employee Commission was publicised over a three week period. Commission members submitted their ideas for discussion and this formed the agenda for their first meeting.

The first Commission meeting was held on 14 October 2011. Councillor Shaun Davies, lead Cabinet member for Environment, Co-operative Council and Partnerships opened the meeting. Richard Partington, Managing Director then explained the critical role that employees play in helping the organisation to become a Co-operative Council.

The Employee Commission identified and prioritised five themes to focus on:

- Employee Engagement & Communication
- Employee Volunteering
- Skills Planning & Development
- Social Responsibility
- Financial Management.

Sub-groups, made up of volunteers from the Commission were established to review each of the themes, discuss ideas and develop proposals and recommendations.

Each sub-group met on a regular basis and had a support officer assigned to facilitate discussions and help to develop recommendations and a chair person nominated from each group. Once recommendations were approved by Cabinet in May 2012, a member of the Senior Management Team and a Councillor was assigned to help to support the Employee Commissions and their sub-groups to deliver recommendations.

The sub-group support officers ensured that members were kept up to date on the work of other groups where relevant. This also involved particular sub-groups agreeing to take forward recommendations which were also considered a priority by another group.

In addition, the sub-groups ensured that the appropriate linkages were made with the Co-operative Commission.

Councillor Rae Evans was invited by Councillor Shaun Davies to take a lead member role and has worked closely and discussed ideas with the Employee Commission.

Consultation with employees

In January 2012, a survey was sent out to all employees to invite their views on the Employee Commission themes and the proposed Co-operative Values. The results of the survey have been used to shape the final proposals.

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

280 employees took part in the survey and the table below provides the number of employees who completed questions on all or selected themes.

Theme	No. of employees
All themes	121
Employee engagement and communication	218
Financial management	165
Employee volunteering	171
Social responsibility	176
Skills planning and development	190
Co-operative values	155

One of the Employee Engagement and Communication sub-group priorities is to improve information provided to employees who do not use a PC regularly as part of their role. Therefore, a series of team visits and drop-in sessions were delivered. The team visits in particular have been an effective way of engaging with these employees, which has resulted in the completion of 40 surveys.

A summary of the survey findings and further information about the work of the Employee Commission is available on the Council [Intranet pages](#). Daily News articles have been issued to inform employees over the last 12 months.

Feedback from the Employee Commission

Feedback has been gathered throughout the last 12 months (see table - Existing documentation to support review).

In particular, in March 2012 Employee Commission members were asked to give feedback on their experience. 86% of respondents indicated that they would be interested in taking part in this type of work in the future.

The Commission gave their views on what has worked well, including:

- The opportunity to work and network with a diverse group of colleagues.
- Contributions made by everyone were valued and collective decisions were made.
- Effective planning and communication throughout helped to maintain momentum and interest.

Feedback on what could be done differently in the future, include:

- Allowing more time to discuss ideas and develop proposals.
- Changing the frequency, timing and length of sub-group meetings.
- Having smaller groups help decisions and recommendations to be made.

Some general comments received by members of the Commission include:

- “Thank you for thinking about things differently”
- “It has been a good opportunity for networking to develop good working relationships”.
- “I am looking forward to hearing the outcome of our proposals and recommendations”.

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

Existing documentation to support review

Reports	<ul style="list-style-type: none"> • July 2011 – Co-operative Council Cabinet report • Co-operative Council six months on – Jan 2012 • Co-operative Commission cabinet report – March 2012 • Latest progress report – October 2012
Record of Employee Commission meetings	<ul style="list-style-type: none"> • Details of members can be provided. • 14 Oct 2011 documents • 11 Dec 2011 documents • 19 Apr 2012 documents • 19 Oct 2012 documents
Feedback from Employee Commission	<ul style="list-style-type: none"> • March 2012 Employee Commission Feedback - This information was used to enable them to agree the way forward on delivering their recommendations. • Feedback 19 April 2012 – what has worked well and what could be done differently in the future. • Questions and answers 19 April 2012 • 19 Oct 2012 On the one hand – what has been good / what has not been so good • 19 Oct 2012 Discussion on new employee forum • Former members' feedback report – some employee dropped out of the commission once recommendations had been made. We asked all these people to give feedback.
Communication and consultation with wider organisation	<ul style="list-style-type: none"> • Employee Commission survey findings Jan 2012 – sub-groups asked employees questions for each theme to help inform their recommendations (this was available electronically and hard copies of the survey were made available to employees who did not have access to a pc) • Update to Employee Focus Group – 28 June 2012 • Employee Commission intranet pages and various daily news articles.
Other information	<ul style="list-style-type: none"> • Next steps for the Employee Commission (delivery of recommendations – May 2012-to date) – this document provides information about who is involved – this was circulated to the employee commission and uploaded on the intranet for all employees. • Measures of success for each Employee Commission theme – to follow

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

Appendix 2 – The Co-operative Values

Background

Being a Co-operative Council is about us working together with our residents, partners and local organisations to collectively deliver the best we can for Telford and Wrekin. We believe that how we do things is just as important as what we do - that is why we have adopted Co-operative Values.

These Values were developed by the Co-operative Commission and are based on what residents and council employees told the Commission about the sort of Council and Borough they would like to see in Telford and Wrekin.

The Council has listened to the Commission and are committed to putting Co-operative Values at the heart of our organisation. The aim is that our actions will speak louder than our words.

The Co-operative Values

<p>Openness & Honesty</p> <p>We will – be open and honest in the way we work and make decisions and communicate in a clear, simple and timely way</p> <p>We would like everyone to – take action and responsibility for themselves and their community to the best of their abilities</p>
<p>Ownership</p> <p>We will – be accountable for our own actions and empower people with the skills to help themselves</p> <p>We would like everyone to – take action and responsibility for themselves and their community to the best of their abilities</p>
<p>Fairness & Respect</p> <p>We will – respond to people’s needs in a fair and consistent way</p> <p>We will and would like everyone to – respect and care for themselves and others, value the different ideas and skills that people bring and treat each other as equals</p>
<p>Involvement</p> <p>We will – work together with the community, involve people in decisions that affect their lives and be prepared to listen and take on new ideas</p> <p>We would like everyone to – work with and support others, get involved and share their views to help us develop the way we do things</p>

What’s been happening to raise awareness and embed the values?

- Initial internal communication campaign delivered end July and September 2012 (Council website, posters, daily news and possible use of screensavers) Communication campaign for Co-operative Priorities ran in parallel.
- Plan of additional activities currently being delivered to further communicate and embed the values and Co-operative priorities - See Co-operative values communication action plan.

What’s next?

- Currently planning external communications to raise awareness and embed the values across the borough.

Co-operative and Communities Scrutiny Committee – review of the Employee Commission and the Co-operative Values

Existing documentation to support review

Reports and plans	<ul style="list-style-type: none">• Co-operative Values and Communication report• Co-operative Values and Communication plan.
Feedback from employees	<ul style="list-style-type: none">• Feedback from Apprentice Forum 24 September 2012.• Feedback from manager briefing 06 November 2012.• Co-operative Values intranet page and examples of living the values.
External coms and consultation	<ul style="list-style-type: none">• Feedback from Co-operative Commission at 12 October meeting.• Co-operative Values web page.
Other information	<ul style="list-style-type: none">• Posters

Co-operative & Communities Scrutiny Committee – Work Programme 2012-14

Date of Meeting	Issue for Scrutiny	Type of Meeting	How	Who	Outcome
8 th August 2012	Co-operative Council updates	Committee meeting	Presentation on Co-operative Commission, Employee Commission, Adopter Programmes and Co-operative Values.	Cllr. Shaun Davies Fliss Mercer Debbie Byle	Further work agreed. Work programme agreed.
12 th October 2012	Co-operative Commission	Co-operative Commission	Members to attend to monitor implementation of recommendations and hear discussion about future role of Commission.		Members to report back to Committee.
19 th October 2012	Employee Commission	Employee Commission	Members to attend to monitor implementation of recommendations and hear discussion about future role of Commission.		Members to report back to Committee. To help identify areas for scrutiny review.
11 th October 2012	Council Tax Support scheme	Joint Committee meeting with Budget & Finance	Consultation on CT scheme options.	Cllr. Bill McClements Angie Astley Lee Higgins	Evidence gathering for review.
23 rd October 2012	Council Tax Support scheme Transitional Grant	Joint Committee meeting with Budget & Finance	To agree response to submit as part of consultation or as report to Cabinet.	Angie Astley/Lee Higgins	Recommendation on Transitional Grant agreed for Policy Review Feedback on CTS agreed and submitted

27 th November 2012	<ul style="list-style-type: none"> • First Point for Business • Impact of changes to leisure concessions policy. • Employee Commission • Welfare Benefit reforms 	Committee meeting	<p>Report on progress towards development of model for First Point for businesses.</p> <p>Report on impact of changes resulting from previous scrutiny recommendations.</p> <p>Proposal for scope of review</p> <p>Discuss scope of review – supporting people through benefit changes</p>	<p>David Sidaway</p> <p>Cllr. Arnold England Stuart Davidson</p> <p>Cllr. Rae Evans Debbie Byle</p>	
December onwards	Welfare Benefit Reforms	As scoped			
April 2013 onwards	Welfare Benefit Reforms (with Budget & Finance Scrutiny Committee)	To be scoped	<ul style="list-style-type: none"> • Impact of CTS post-implementation • Replacement of Social Fund • Impact of housing benefits changes 		
December 2012 onwards	Employee Commission	As scoped			