



**SCRUTINY COMMITTEE**

**4.30pm to 7.10pm**

**11 April 2013**

Present: Councillors Stephenson (chair), Brimblecombe, Button, Carlo, Galvin, Grenville, Howard, Kendrick (substitute for Councillor Manning), Lubbock, Maxwell (substitute for Councillor Bradford) Sands (M), Stonard and Storie

Apologies: Councillors Manning (vice chair) and Bradford

**1. COMMITTEE MEMBERSHIP**

Following Councillor Gee's resignation from the council, it was noted that Councillor Carlo had been appointed to the vacancy on this committee.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES**

**RESOLVED** to agree the minutes of the meeting held on 7 March 2013, subject to in relation to item 3, *Task and finish group – community space*, first sentence

**4. WORK PROGRAMME**

(The head of property services (NPS Norwich) attended the meeting for this item.)

Councillor Lubbock referred to her request to the committee on 6 December 2012, on behalf of a leaseholder, and said that she considered that the committee should consider the ongoing issues relating to the lifts at Normandie Tower and the award of the contract for repairs. She had received a report from the deputy chief executive (operations) and information, which the leaseholder had received under Freedom of Information requests, and considered that there had been major failings and questions surrounding the letting of the contract, had not been answered. The council had a responsibility to its tax payers and leaseholders to ensure that lessons were learned and that the issues were fully considered.

The deputy chief executive (operations) referred to the new contract arrangements for property services with NPS Norwich and suggested that as the issue was operational, the cross-party liaison board could consider it and report back its findings to the scrutiny committee. The next meeting would be held in May 2013. Councillor Lubbock said that she would like to attend.

**RESOLVED** to:

- (1) note that the scrutiny work programme for 2013-14 will be approved at the first meeting of the civic year;
- (2) consider a report from the NPS Norwich liaison board on the issues surrounding the lift repairs at Normandie Tower.

**5. LGSS AND THE REVENUES AND BENEFITS SERVICE**

(Christine Reed, director (LGSS) together with Robin Bates, head of finance and resources, Northampton Borough Council, and Vernice Key, head of finance operations (LGSS) attended the meeting for this item.)

Councillor Arthur, leader of the council, introduced the report and said that it was a challenging time for local government funding and commended Caroline Ryba, the chief finance officer (LGSS) for her contribution to the financial reports and the improvements to the professional financial service. LGSS was aware that the performance of the revenues and benefits service was not at an acceptable level and was well placed to improve the service which was vitally important to people in Norwich.

Christine Reed, director of LGSS, responsible for HR, transformation and business improvement and transactions (which included revenues and benefits), agreed that the revenues and benefits service at Norwich was not good enough, that it was right for the scrutiny committee to scrutinise it, and that LGSS had measures in place which could turn it around. She explained that LGSS was in the process of entering into partnership with Northampton Borough Council (subject to the council's approval). Robin Bates, head of finance and resources, at Northampton Borough Council had improved its benefits and revenues services which were now performing in the upper quartile. Vernice Key (LGSS) was the manager overseeing the revenues and benefits team at Norwich and had the full support of Jill Healey, revenues and benefits manager (LGSS), and her team.

Christine Reed said that at a meeting earlier that day, performance indicators for the revenue and benefits service in Norwich showed an improvement in the number of days it took for new claim processing, which had been reduced to 31.88 days. Nationally there was a decline in performance on this indicator, with upper quartile authorities that had achieved a turnaround of 19 to 21 days, now averaging 25 days. This was an important indicator as it affected the most deprived people but reflected the increase in demand for benefits nationally. Other quarter 4 performance indicators showed that benefit changes of circumstances was now "green" at 5.81 days and processing council tax change of circumstances was now 12.4 days. She also said that the LA authority error rates on claims processing had been reduced to 0.548%. The achievement of "green" performance indicators was attributed to the hard work of the revenues and benefits team particularly in relation to business rates collection and customer satisfaction – council tax. An implementation team,

comprising Robin Bates and two of his colleagues, who had turned round the revenues and benefits service at Northampton Borough Council, would have a presence on site in Norwich everyday. The change of focus would result in a different end user experience.

Discussion ensued in which a member expressed support for the measures that were being taken and suggested that committee members visited the revenues and benefits team to observe the improvements that had been implemented and the background processes that were involved. Another member suggested that the committee considered the objectives and impact of the improvement plan through anonymous case studies which would have practical value and also see the changes from an individual's perspective.

Robin Bates said that at Northampton Borough Council the increased demand and changes to housing benefits and the implementation of the council tax reduction scheme had resulted in a backlog in processing claims. This had been pulled around by automating processes, such as changing council tax benefits to a discount on the system and automated processing of electronic transfer information from the Department of Works and Pensions. The revenues and benefits team at Norwich could improve how it dealt with new claims by ensuring that new applicants had the correct information to reduce repeated contact, which should be embedded into the system. Vernice Key explained that local issues had contributed to the backlog in Norwich which included a third of staff training during the summer of 2012 (former customer contact staff who had been transferred to revenues and benefits, when the service went over to LGSS) and that where in the past officers would come in at weekends to clear the backlog, in recent weeks, works to automate the systems at weekends had reduced the opportunity to do this.

In reply to a question, Christine Reed referred to the benefit subsidy and explained how the improvement plan would contribute by ensuring that the resources and systems were in place to ensure the reduction in the current level of errors to meet the government threshold. She explained that there was always some natural attrition and confirmed that recruitment to six of the vacancies had been completed. Uncertainty about the introduction of universal credit had made it difficult for local authorities to recruit benefits staff. A member pointed out that the concerns about the backlog in the revenues and benefits service had been raised several times since 2011 at meetings of the scrutiny committee, cabinet, full council and audit committee, and members had been assured that the situation was improving. She pointed out that performance had to improve and that the council had lost money as a direct consequence. Christine Reed confirmed that she was confident that the members of the implementation team had the expertise, knowledge and resources, and with the willingness and support of the team in Norwich, would improve the service to citizens. This would take some time but significant improvements could be expected by the summer.

Discussion ensued in which members agreed that the key area for improvement was the benefits service and that the committee should look at it again in 6 months time to allow for the implementation plan to progress and to evaluate the impact of universal credit. A member said that he was reassured that LGSS acknowledged the problems and challenges of the service, but the real test to the improvements would be how the service met the continuing demands for benefits. Robin Bates said that in 2009 the demand for housing benefits had suddenly increased by 25%

but that the current position was relatively stable and that the automation of many of the processes had improved delivery.

Discussion ensued on the impact of universal credit and the chief executive pointed out that this could lead to an increase in avoidable contact as residents turned to the council's services for support. In response to a question from the chair, Christine Reed and Robin Bates assured members that they would be monitoring the introduction of universal credit nationally and be ready to mobilise to meet any issues that arose. The Institute of Revenues Rating and Valuers and the Local Government Association would be monitoring the situation. Members were advised that part of the transformation and business improvement process would be to ensure that the benefits service was resilient to change.

Further discussion ensued on staffing resources to meet the backlog and members were advised that temporary staff had been employed; six new members of staff had been appointed and adverts placed to recruit local staff.

In response to a question from the chair, the executive head of business relationship management said that he considered that the council's improvement journey had happened because of its partnership arrangements with LGSS, benefiting from the expertise available in a larger organisation which was part of the local government "family". Revenues and benefits needed to be improved and there had been significant improvements already that the council could not have achieved by itself.

The chair acknowledged the generosity of Northampton Borough Council in seconding Robin Bates and his colleagues to head up the implementation team in Norwich. Christine Reed said that she agreed that the revenues service should be subject to scrutiny, and reminded the committee that LGSS had improved the council's ICT and professional financial services, and that it was a pleasure to work with the city council, particular with the support of its chief executive, leader of the council and its corporate leadership team, and the turnaround of the benefits service would be a welcome challenge and was what motivated them. The chief executive said that the issues from the internal audit of the benefits service had been slower to progress than had been hoped.

Councillor Arthur reassured the committee that the improvement plan was deliverable and that she would personally receive weekly updates.

**RESOLVED to:**

- (1) agree in principle that members of the scrutiny committee visit the benefits service to see work in progress, and ask the scrutiny officer to identify outcomes and recommend criteria for the focus of the visit for consideration at a future committee meeting;
- (2) consider a report on the revenues and benefits service in September to review the progress of the implementation plan; the response to welfare reform and universal credit and consider a case study.

**6. WELFARE REFORM AND HOUSING BENEFIT CHANGES**

The executive head of strategy, people and democracy introduced the report and together with the chief executive, head of local neighbourhood services and the policy officer answered members' questions.

During discussion members considered that a workshop would be the best way to determine the elements of welfare reform that the committee might want to include on its work programme. The scrutiny officer suggested that this should be open to all scrutiny committee members who wished to attend and could be held in the hour before the committee where the work programme would be agreed.

Councillor Arthur suggested that the list of implications of the welfare reforms that had been drawn up by the council's financial inclusion officer would be a good starting point.

Discussion ensued on the implications of the roll out of universal credits to the community and how the city council, LGSS and its partners would respond. A member expressed concern that a reduction in family income could result in children going hungry and asked what cross agency working would ensure that this was picked up and resources made available for breakfast clubs and free school meals. Members considered that it would be difficult to identify the hardest hit groups and that it would be difficult for the council to mitigate against the effect of government policies. The policy officer suggested that the ability to predict the impact of the introduction of universal credit was diminishing, even for those qualified in social policy. She pointed out that it was important to ensure that people were in receipt of all the benefits that they were entitled to. Only 30% of people entitled to pension credit claimed it and the extra money from the benefit would make an enormous difference to their lives. It would also put extra money into the local economy.

Councillor Arthur commended the officers for the informative report and said that it was better to be prepared and confirmed that a lot of work on financial inclusion had been carried out by the council with its partners on the Norwich Locality Board, the third sector and the Police and Crime Commissioner. The executive head of strategy, people and democracy said that the impact of welfare reform affected different areas of the country, and that it was expected that areas within a short commute of London would experience pressure on housing as large numbers of people moved out of the capital because of the cap on benefits. Norfolk Community Advice Network (NCAN) would provide information on welfare rights on its website which could be shared with councillors. The head of local neighbourhood services confirmed that officers discussed issues with colleagues at county level and that this fed into the council's broader partnership.

The chief executive suggested that the committee considered joining with another group to consider the issues as there would be shared ground between authorities. The scrutiny officer referred to the link with Ipswich Borough Council's scrutiny committee and said that he would make enquiries through the Norfolk Scrutiny Network and report back opportunities for joint scrutiny to the workshop.

During discussion a member suggested that the committee considered the issue in four steps; general understanding of the issues; focusing on a particular issue; identifying an action where the council could make an effect; and using the council's influence to the services provided by its partners; and to government policy.

Members then discussed some of the issues that came up on the "doorstep" and which would provide useful anecdotes that officers could share with partner organisations and help shape services. One member suggested that reliance on internet access to services was denied people on low incomes as many households

no longer had a landline and therefore no access to internet services. People therefore relied on mobile phones and therefore paid higher costs to make phone calls. Also members should be aware that some landlords were unwilling to let premises to people on benefits. Members could also pass on anecdotal information received in their roles as school governors – for instance if teachers were reporting that children were arriving at school hungry. The scrutiny officer agreed that he would discuss with officers regarding the best way of collating members' "doorstep" issues which would form the basis of the next twelve months evidence based scrutiny.

A member referred to commonly asked questions on welfare reform and whether people could appeal against the "bedroom tax" and it was suggested that a briefing note be prepared for councillors.

**RESOLVED to:**

- (1) agree in principle to the approach that the scrutiny of welfare reform will comprise four steps, as follows:
  - (a) consideration of data and information on the impact of the implementation of welfare reforms;
  - (b) thorough understanding of the situation;
  - (c) from the above, focus on an area where the council can effectively make a difference;
  - (d) achieve an understanding of what the council can do to influence its partners and lobby government .
- (2) agree the scope of the scrutiny of welfare reform at a workshop arranged for the purpose before the next meeting of the scrutiny committee;
- (3) ask the scrutiny officer to liaise with the Norfolk Scrutiny Officers' Network and report back to the workshop any opportunities for joint scrutiny in conjunction with another group;
- (4) ask members to make a note of any "door-step" issues that arise and that the scrutiny officer will devise a way of collating these.
- (4) ask the committee officer to make available on e-councillor:
  - (a) the report of the financial inclusion officer showing the impact of welfare reform;
  - (b) a briefing note on the commonly asked questions regarding the changes to welfare reform.

CHAIR