



### SCRUTINY COMMITTEE

**4.30pm – 6.50pm**

**26 January 2012**

Present: Councillors Stephenson (Chair), Bradford, Driver, Galvin, Gayton, Gee, Grahame, Grenville, Jeraj, Lubbock, Sands (M) and Storie

Apologies: Councillor Fisher

#### **1. MINUTES**

##### **RESOLVED to:**

- (1) approve the accuracy of the minutes of the meeting held on 6 December 2011; and
- (2) approve the accuracy of the minutes of the meeting held on 10 January 2012 (including the exempt minutes which were attached at item 9 of the agenda), subject to amending recommendation (6) of item \*2 to include:  
“...negotiations with our ICT provider are concluded, to members and the public.”

#### **2. SCRUTINY COMMITTEE WORK PROGRAMME**

The chair reminded members to use the request form if they wanted to raise an item for scrutiny review. The form would help to clarify objectives and the desired outcomes.

**RESOLVED** to note the scrutiny committee work programme.

#### **3. PERFORMANCE OF THE BENEFITS SERVICE**

The revenues and benefits manager provided a presentation to members on the types of benefits provided by the service; how the claim process worked for customers; and service performance. He also explained that 7 FTE (12% posts) had been cut in 2010/11. Whilst output was marginally higher than demand, there was a large backlog which was impacting on customers (including causing rent arrears, tenancies at risk and stress). The backlog had increased contact volumes with the council and the council and RSL (housing association) rent arrears. Figures suggested that it would be possible to clear the backlog of new claims within 28 weeks, however factors such as level of demand, the economy and year end council tax billing could see an increase in the weekly workload for officers, and therefore reduce capacity to deal with the backlog.

In response to members' questions, the director of regeneration and development said that the housing teams and the revenues and benefits teams were working closely to ensure that once a rent arrear was identified, that particular backlog claim would be put into the urgent stream to process. The individual would also be able to apply for a discretionary housing benefit to reduce the impact of the delay. The revenues and benefits manager confirmed that the backlog had not caused any particular frustrations with customers and that there had been no serious incidents.

A new initiative had been put in place within customer reception, to enable the processing of new claims on demand. The initiative was working well and aimed to meet demand fully and prevent any additional backlog. An improvement team was also reviewing various issues, including whether the 60,000 customer calls and visits to city hall were picking up everything possible within the one visit. The outcome of the LGSS partnership should also bring long-term improvements to service performance. The deputy chief executive explained that there would be no immediate changes to the revenues and benefits service at the point of transfer to LGSS, and that this should avoid disruption to the service. Key performance indicators would be set within the service level agreement to maintain and improve the level of service.

In response to members' questions, the revenues and benefits manager said that the service could access most of the major DWP benefits online via the Customer Information System (CIS). Developments would enable real time data to pass between the DWP and council systems. This would reduce the workload of the service immensely and improve accuracy of data.

He explained that whilst channel migration would work well for some services throughout the council, the benefits service required much verification which required face-to-face contact and dealing with valuable documents.

The deputy chief executive said that the benefits team resource was at the right level for the incoming claims, however consideration may need to be given to enabling overtime to deal with the backlog. The council had a vacancy freeze in place, which meant that services were often relying on secondments and temporary staffing. However, it was suggested that the council could soon be in a position to resume normal recruitment practices and the ability to appointment permanently. The council would also work with LGSS to consider the current use of secondments. The revenues and benefits manager said that delays in dealing with new claims and change of circumstances were mainly caused by the necessity to provide comprehensive training to officers and also the capacity of officers to deal with the backlog. To reduce the impact, the service was trying to train officers in specialist areas so that they could begin work before completing the full training requirements. The specialist area training alone could take three weeks before the officer could focus on a specific type of claim. He clarified that the rate of turnover in the section was lower than the national average for local government.

In response to members' questions he said that national trends of joblessness and increased claims were not comparable to Norwich because Norwich's economy was relatively level; and that it could take longer to deal with a backlog claim than a new claim because some of the information may not be available any more. He would need to check that the amendments made by the DWP to the regulations in June 2011, did not disadvantage any of the outstanding claims. DWP were also working

on the transition of housing benefit and universal credit. This would result in the TUPE transfer of housing benefit officers to the DWP but the impact of this was not known at present.

Members discussed the use of universal credit and direct payments. In principle, the individual would receive the payment and it would be up to them on how it was spent. A number of pilot schemes were underway to see how many individuals should have their payments made direct to the RSLs (housing associations). Members were concerned about direct payments and that individuals could be charged a penalty for not making payment on time.

**RESOLVED:-**

- (1) to ask the revenues and benefits manager to:
  - i. consider ways to retain temporary benefit officers;
  - ii. feedback outcomes achieved by the improvement group;
  - iii. provide members with the % of 18,000 total claims which applied to single occupancy council tax benefit;
- (2) add an item to the scrutiny work programme to monitor the progress of the LGSS and the impact on the revenues and benefits service;
- (3) that the scrutiny committee write to the local MPs to raise their concerns regarding direct payments to housing associations;
- (4) request that the committee officer upload the presentation to e-Councillor; and
- (5) to thank the revenues and benefits manager for his presentation.

**4. ASSET MANAGEMENT STRATEGY**

(A copy of members' questions and officers' responses were circulated prior to the meeting and are attached at appendix A to these minutes, together with any supplementary questions)

(An amended version of appendix A and B to the report were circulated at the meeting)

The director of regeneration and development presented the report which highlighted the linkages between the council investment portfolio, selection and sale of assets and re-investment into the remaining assets. The asset management strategy provided a consistent approach to the asset review, which was expected to take approximately four to five years to complete. He explained that the property matrix enabled consistency of scoring, and that each score was based on various factors, assessed by professional officers involved in the asset management review process. In response to a member's question, he confirmed that some of the criteria, principles and factors of the matrix could be applied when acquiring an asset, however a full business case would be required for cabinet approval.

Councillor Grahame queried the grouping of assets where an asset was considered marginal in its contribution or multi-functional (for example a commercial asset but also of community value). The head of city development services said that the

government required an asset to sit in a single category. Provisions in the Localism Act would require council's to publish a list of land and buildings (and not just those owned by the council) with a community value, which could clarify the category in which the asset should sit.

In response to members' questions, he said that informal dialogue with tenants was ongoing however this could be improved through more regular formal consultations; and that he would need to confirm whether the council paid itself rent for any council building it occupied.

In response to a request from Councillor Lubbock, Councillor Waters said that officers would seek to pull the full asset list together and review whether it could be made available to the public. The director of regeneration and development said that the list required some data cleansing before publication. This would be one of the first tasks of the new joint venture partnership (Norfolk Property Services).

Councillor Stephenson acknowledged that the council had not disposed of many assets and that some had been relatively controversial in their location. She therefore suggested that ward councillors should be consulted when officers were considering a disposal, so that they could help to pre-warn whether a proposal could be contentious. Councillor Waters said that the report indicated the importance of the member role throughout the asset review.

**RESOLVED to:-**

- (1) note the proposal to include the 2012/13 capital plan, an allocation for the acquisition of new investment assets to be funded from the receipts arising from asset disposals;
- (2) request that the director of regeneration and development:
  - i. confirm to members whether there were 16 or 18 community centres;
  - ii. consider whether the strategy should include consulting ward councillors at the initial stages of considering the disposal of an asset; and
  - iii. make a comprehensive list of assets available on the website within the next three months.

CHAIR

## Appendix A

### **Asset management strategy Members' questions and responses from officers**

**1 Will the review of Community centres be considered as part of the overall review or is this a separate exercise?**

Community Centres are held by the council as community assets. The 'Asset Review' is intended to identify assets in the context of the purpose for which they are held, their cost in use and their return (financial or otherwise) to the council. They will be considered individually as part of the overall review and also considered together as a group of assets. The client service lead for this is neighbourhood services with the property team in city development providing professional advice.

In response to a supplementary question, the director of regeneration and development confirmed that the review of community centres would form part of the overall review. The matrix would assist officers to identify the role the community centres play in the locality as well as consider what other facilities are available. This would form part of the scrutiny review process, through the task and finish group.

**2 Will the proposed relationship with LGSS have any impact on the conduct of the Asset Management Review or will this be conducted entirely in house?**

The 'Asset Review' will be conducted by the same team of officers. This team is transferring to the joint venture (JV) with NPS and they will continue to carry out the reviews as part of their duties within the JV. There may be issues arising under the 'Asset Review' for individual property assets directly attributable to the LGSS arrangement and these will be picked up on a property by property basis.

**3 When is consultation required before disposal of assets?**

This will vary depending on the nature of the asset. If the property is a heritage asset for example, there are government guidelines ([The Disposal of Heritage Assets, English Heritage, 2010](#)) about who should be consulted before a property is disposed.

Similarly consultation is undertaken when any asset is considered for disposal with other operational officers in the council, senior department officers and the portfolio holder. Consultation outside the council may included local historic organisations, adjoining occupiers and any occupying tenants. In the case of operational buildings, a disposal would involve wider consultation than would be the case of an asset that was purely held for investment purposes.

**4 Who would be consulted, and what would be the status of the results - i.e., if public opinion was clear, its importance would lie between irrelevant and binding?**

This would vary from asset to asset. If the disposal was thought to be sensitive, the director of regeneration and development in consultation with the portfolio holder will refer the decision for member approval.

**5 How might this be clarified?**

See Above

**6 How many assets do the council own?**

1,091

**7 How does the council split its assets into different groups?**

There is government guidance on how assets should be grouped. The council has and continues to group assets which balance the need to understand why they were bought, for what purpose they are held and how they are represented for financial reporting purposes.

**8 Does the council have a list of why it bought each asset and is this available to the public or to councillors?**

No there is no definitive list. We may have a limited amount of information on some, but the grouping within which they are held will probably give an indication. Reasons for holding assets may also change over time which could be as a result of a change in central government guidance or our own operational reorganisation.

**9 Who decides what happens to an asset (whether it is invested in or sold) and how is this decision taken?**

Each property is reviewed by officers from the asset management team (all of whom are qualified chartered surveyors with several years experience). A report is produced and then reviewed by the director of regeneration and development, in consultation with the portfolio holder and the section 151 officer; the director having delegated authority to authorise disposal of assets. If a disposal is recommended – taking into account the consultation referred to earlier – it is then sent to the capital programme board for confirmation prior to disposal.

(See also response to question 4).

The disposal will then proceed by the most appropriate method taking into consideration the comments/caveats made during the ratification process.

**10 How many assets has the council disposed of in the last year (out of how many)?**

2011/12 Commercial 3 properties out of 1,091

2011/12 Residential 22 out of 15,473 and garage sites under the Delivering Affordable Housing Partnership for which the council receives nomination rights in perpetuity.

**11 Is the council continuing to buy property?**

The council has not purchased any property for a number of years but it hopes to be able to do so during 2012/3 as it seeks to update and improve the performance of its Property portfolio. The last asset purchased was Alderman Clark House in 2009; now demolished and forming part of the Goldsmith Street housing development site.