

MINUTES OF COMMUNITIES AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

27 JUNE 2019

PRESENT:

Members of the Committee: Councillors Mahoney (Chair), Mrs A'Barrow, Mrs Brown, Douglas, Eccleson and Long

Officers: Jon Illingworth (Financial Services Manager), Chris Green (Corporate Assurance and Improvement Manager), Dave Wortley (Community Advice and Support Manager) and Veronika Beckova (Democratic Services Officer)

In Attendance: Councillor Jerry Roodhouse and David Lawrence (Local Democracy Reporting Scheme)

4. MINUTES

The minutes of the meetings held on 11 April 2019 and 16 May 2019 were approved and signed by the Chair.

5. APOLOGIES

Apologies for absence from the meeting were received from Councillors Cade and Keeling.

6. FINANCE AND PERFORMANCE MONITORING 2018/19 YEAR-END

The committee had previously been requested to bring copies of the relevant Cabinet report from 25 June 2018 to the meeting.

The Financial Services Manager and Corporate Assurance and Improvement Manager attended the meeting to present the report and answer questions.

The following key points were highlighted by the Financial Services Manager:

Final Outturn Position 2018/19

At year-end, the council's overall reported saving was £0.600m. 60 per cent of the saving was in relation to employee expenses.

General Fund Reserves Overview 2018/19

Key variances in excess of £0.100m

Planning – £0.150m of unachieved income due to the underachievement of planning income from applications and increased costs on consultancy and legal fees.

Housing Benefit Payments – a significant reduction in the overall level of debt associated with Housing Benefit overpayments. The contribution to bad debt provision was reduced resulting in an overall saving of £0.164m.

Minimum Revenue Provision – underspends on several capital schemes in 2017/18 resulting in a saving of £0.225m.

General Fund Reserves

During the outturn period, officers focussed on completing a risk assessment of the reserve's levels in the council's corporate reserves which were used to respond to and manage financial risks. The risk assessment showed that there was potentially a funding gap in the council's corporate reserves. If all the risks present in the environment crystallised, the reserves would be depleted by 2022/23. This underlines the need to continue to focus on putting money into reserves but also creates an opportunity that if the funding outcomes in 2020/21 were not as bad as currently forecast, the reserves could be used for other purposes. The summary of the risk assessment was attached at Appendix 5b of the report.

In terms of General Fund Earmarked Reserves, the contribution budgeted for from the reserves was £33,000. As a result of reviewing the balances held in revenue grants received in advance and other areas of the balances sheet, it was proposed that reserve levels would rise by £2.607m above that which was planned. A full breakdown of the movement in General Fund Earmarked Reserves was attached at Appendix 5a to the report.

Housing Revenue Account Revenue Budgets

Key variances in excess of £0.100m

Rent Income from Dwellings/Charges for Services – rent income pressure of £0.352m as void levels increased, primarily as a result of the decanting of properties at Biart Place and intensive structural surveys at Rounds Gardens.

Staffing Costs – saving of £0.212m due to salary and employment costs relating to six vacant posts/apprentice positions (£0.236m) offset by use of agency staff (£23,000).

Biart Place/Rounds Gardens – additional security costs and risk measures at Biart Place and Rounds Gardens to minimise potential of shock event resulting in a budget overspend of £0.254.

Capital

At year-end, the council's overall reported underspend on the capital programme was £15.477m. A summary of the overall position on the capital programme was attached at Appendix 3 to the report.

General Fund Capital

At year-end, the General Fund capital programme reported an underspend of £3.115m which was carried over into 2019/20.

Key variances in excess of £1.000m

Vehicle Procurement – procurement was deferred in 2018/19 pending the completion of a review of vehicle use across the council resulting in a saving of £1.656m. The review had now been completed and a new fleet was on order.

Housing Revenue Account Capital

At year-end, the Housing Revenue Account capital programme showed an underspend of £12.362m which was carried over into 2019/20.

Key variances in excess of £1.000m

Rounds Gardens/Biart Place – £5.097m – amounts approved by Council in 2018/19 for the decant, design and survey costs associated with the redevelopment schemes. The full budget was approved in 2018/19 the scheme was not expected to be completed in year.

Purchase of Council Houses (Cawston Meadows) – £2.706m – the final properties for the Cawston development were delivered in April 2019. The full budget was approved in 2018/19 the scheme was not expected to be completed in year.

Bell House – £1.377m – subject to Planning Committee's approval, work on the site will commence in September 2019.

Garage Sites Redevelopment – £1.300m – ground investigation surveys and traffic assessments had resulted in scheme design alterations which will require further approvals from Council prior to commencing the project.

Performance

The following key points were highlighted by the Corporate Assurance and Improvement Manager:

Key Performance Indicators (KPIs) – Summary

- 16 KPIs were improving or stayed the same
- 8 KPIs had worsened
- 8 KPIs were not measured by trend – new measures recently put into place

The Refuse and Recycling data was provisional due to the central government department Waste Data Flow changing their frequency for validating the council's data from a quarterly validation to an annual one.

KPIs for Bereavement Services and the Benn Hall were suspended from the report in Quarter 2 2018/19 due to concerns over the quality of the data. The Corporate Assurance and Improvement Team carried out data quality assurance work and where any potential doubt was uncovered as to the quality of the data in terms of either its accuracy, completeness and timeliness, the data would be suspended until the matter was looked into properly. Only data with high level of confidence would be published.

The KPI for Bereavement Services – data quality review was completed and the concern was resolved. The data will be reinstated to the report as of Quarter 1 2019/20.

The KPI for the Benn Hall was pending a data quality review which was delayed due to a new digital booking system being put into place. The review should take place in Quarter 2 2019/20.

Within Appendix 6 of the report, several new KPIs were listed including:

- Number of green flag awards, number of volunteer hours and number of planted – replacing the quality rating of parks and open spaces measure
- Members of the public recorded in an accident – part of the new set of Safety and Resilience measures developed
- The proportion of rent arrears caused by Universal Credit

Equality and Diversity data set was yet to be developed and KPIs were yet to be identified but it was likely that 2019/20 would see the introduction of Equality and Diversity reporting.

The Corporate Assurance and Improvement Manager highlighted that training of Rugby Performance Management System was available to members by contacting the Corporate Assurance and Improvement Team.

During wider discussion the following questions were raised:

Are measures in place within the teams to review the impact of staff vacancies on the provision of services?

The Financial Services Manager provided a brief response at the meeting and advised the committee that a more detailed response will be provided as part of the minutes.

The response to the question is as follows:

As part of the Rugby Performance Management System included in section 7 of the report presented at the meeting, the Corporate Resources Portfolio has specific Human Resources indicators on organisational sickness management.

However, monitoring service specific issues in relation to staff recruitment and retention is managed by individual budget managers. Although there are no specific key performance indicators as part of the budget monitoring process the finance team discuss service delivery and the impact that the vacant posts are having on service delivery. These conversations will also take place at an operational level with Heads of Service.

During 2018/19 all customer facing services were delivered by managing staff vacancies through a combination of managing from existing staff, revised methods of resource deployment or using agency cover.

With regards to homelessness and temporary accommodation, what is the forecast for expenditure in 2019/20?

In terms of the forecasting for 2019/20, monitoring begins in Quarter 3. We are working with the Homelessness Team to understand ongoing pressures as a result of homelessness. The outcomes of these discussions will form part of the Finance and Performance Monitoring Report for Quarter 1 2019/20.

With regards to the three percent overall increase in council's income in 2018/19, was the figure a target? Is there a target for 2019/20?

During budget setting, historical trends and the knowledge of the heads of service are used to set an achievable target for the coming year. We are often prudent in our expectations.

We had a windfall in terms of fees this year. As part of the budget setting process for 2020/21, we will understand with budget managers whether that is one of windfall or whether it is a targeted increase that can be built in. If fees are set by statute, we are confident that there will be an increase in the income. Consideration is also given to the competitiveness of our fees within the market and to areas where fees haven't yet been introduced. Increase income generates savings and has no impact on core services.

Within Appendix 6 of the report, the performance indicator measuring the proportion of rent arrears caused by Universal Credit shows that the situation is getting worse. Within the Universal Credit Update report (Agenda Item 5), the situation appears more levelled. Is this due to it being a new indicator?

It could simply be a very small reduction which in the system would show as getting worse. The Corporate Assurance and Improvement Manager will analyse the performance indicator in more depth and provide a response as part of the minutes:

The response to the question is as follows:

I have reviewed the historical data for this indicator and the results were as follows:

- Q4 2018/19: 48%
- Q3 2018/19: 42%
- Q2 2018/19: 43%
- Q1 2018/19: 48%

The data therefore shows an increase in the proportion of rent arrears caused by universal credit during the fourth quarter of 2018/19. However, the Universal Credit report presented at the meeting incorporated data up to the end of May 2019, and as such there was a timing difference in the data presented. The latest available data up to the end of Q1 2019/20 shows an improvement in the proportion of rent arrears caused by universal credit, with a reduction to 42.5%. This is consistent with the position set out in the Universal Credit report.

Going forward, we are aiming to provide the committee with more historical data for performance indicators to be able to form a clearer impression of the trend over a longer period of time.

Almost a third of the number of working days reported for long term sickness is due to mental health related conditions. Are we putting our employees under too much pressure? Also, over a third of the number of working days reported is due to musculoskeletal illness. Are our employees provided with the appropriate training? What measures are in place to help to prevent long term sickness?

There are many factors behind the reported figures. Senior Management Team has recognised mental health as an area of concern and has recently introduced Mental Health First Aiders in the council. It is very early days for the initiative in terms of outcomes, impact on sickness, etc. Employee wellbeing is very important to the council.

The recently conducted employee survey included a series of questions about wellbeing and the council's CAN DO values and behaviours framework. The results will be analysed and any actions and learning points taken forward.

With regards to musculoskeletal illnesses, a factor behind the absence number reported is the profile of the council's workforce and the nature of its activities.

An internal audit review has recently been completed on absence management. A recommendation of the audit is to review the Absence Management Policy. Human Resources in conjunction with Senior Management Team will undertake a review of the policy and update as necessary. The date of the policy review is not yet known as the internal audit review action plan is currently in draft and subject to final sign off. The policy review will be undertaken this year.

With regards to musculoskeletal illness, is a breakdown of parts of the body affected available? Are manual workers and office staff affected? In relation to office staff, a bad work station design could be the cause which can be easily remedied. A better understanding is required before any remedial actions can be put in place.

Human Resources receive regular reports from Occupational Health which provide detail of the different absences including nature of the absence.

The committee was informed that a light touch review of Employee Wellbeing was carried out in February 2019. Further information was requested and a progress report will be provided to committee in September 2019. A request for a detailed breakdown of absence due to musculoskeletal illness and workforce affected will be submitted to the Human Resources Manager. The breakdown will form part of the scheduled progress report to committee in September 2019.

The committee was informed that with regards to short term absence, employees – depending on their role – were given the option to work from home when ill. This was on a voluntary basis and no pressure was put on staff.

With regards to the 50 additional spaces at Raisnbrook Cemetery, is the council borrowing the 50 per cent being put forward?

The costs are funded as part of our overall capital strategy.

RESOLVED THAT – the Financial Services Manager and the Corporate Assurance and Improvement Manager be thanked for their attendance.

7. UNIVERSAL CREDIT UPDATE

The committee received a report (Part 1 – Agenda Item 5) providing an update on the impact of Universal Credit (UC) within the borough.

The Community Advice and Support Manager attended the meeting to present the report and answer questions.

The report was discussed in detail at the meeting and the following additional comments were made:

Current situation

The number of residents in the borough in receipt of UC continued to grow. A portion of existing claimants continued to receive housing benefit and other legacy benefits being absorbed into UC.

Current plans were to pilot a 'managed migration' process during the course of the year to move a number of existing legacy benefit claimants to UC. It was expected for the roll over process to be completed by end of 2023.

Impact on the council

The report provided a snapshot of the impact of UC on the council's clients' rent arrears. With UC, there could be a significant fluctuation in the reported figures as direct payments from UC were received every four weeks and the rent was charged weekly by the council.

If an arrears report was run just before the payment from UC was received or just after the payment was received, the actual balance would fluctuate.

The snapshots over the course of the year showed that the situation was slightly improving.

The other factor was that the rent arrears due to UC took into account any rent arrears owing before the client claimed UC. The figures could not be split out for reporting purposes.

Changes over the past 12 months

During the last year, there were significant changes regarding the administration of UC and the impact on local authorities.

Rugby Borough Council (RBC) was contracted by the Department for Work and Pensions (DWP) to provide assistance to clients who needed help to claim UC or help with moving from weekly based budgeting to monthly based budgeting.

In turn, RBC had formal contracts with Benn Partnership Centre (BPC) and Rugby's Citizens Advice Bureau (CAB) to deliver the relevant services on its behalf. All partners met on a quarterly basis to resolve any issues.

In 2018, CAB was contracted nationally by the DWP to provide 'Help to Claim' service. The aim of the service was to help people from making their initial claim until the first payment was received. As support was provided directly by CAB, claimants were able to get help with any other issues that they may have. The new service was rolled out in April 2019. CAB reported that:

- to date, 51 clients within the Rugby area went through the process and received help with making their claims;
- overall, the situation was improving and clients appeared to be coping with UC; and
- support provided to vulnerable claimants remained an area of concern.

Internally, changes were made with regards to how rent arrears are dealt with:

- A more holistic approach to the collection of debt due to the council was introduced in the form of a Housing Officer now working within the Revenues Team to collect council tax, sundry income and rent.
- The council was granted access to the Landlords' Portal. Any applications made by council tenants required rent verification by the council. The verification was previously carried out by email which caused delays. Presently, the verification was carried out electronically for around 80 per cent of the claims which sped up the payment process. In addition, any requests for direct payments due to rent areas made by the council were acted upon by the DWP.

Overall, some improvements were made over the course of the year but some issues continued to be present. The key was to try to identify those issues, provide feedback to DWP and work with partner agencies on solutions.

The committee was informed that the Chair and Vice Chair met with representatives from CAB to get a better understanding of the current situation with regards to UC. At the pre-meeting, it was highlighted that there was a gap in assistance available to vulnerable people with mental health issues particularly around the application process. The DWP were reluctant to allow telephone applications. Following the pre-meeting, the Chair had a discussion with Coventry and Warwickshire MIND. Coventry and Warwickshire MIND confirmed that there were issues relating to gaps in support for vulnerable claimants with mental health issues.

The committee was informed that as this year has 53 rent weeks, to counter the impact of this issue within UC, an additional non-collection week was included to keep in at a 48-week charging year and no extra rent will be charged to the council's clients.

During wider discussion the following questions were raised:

With regards to the DWP data, how much do we know about the applications made by single applicants in terms of issues and circumstances? Is the information available influencing other areas of policy in the council?

In terms of the general UC population, we don't have a lot of intelligence as we are not involved in the administration of UC. We tend to know about cases where there

have been issues with rent arrears, council tax arrears or other services delivered with the team such as temporary accommodation and homelessness.

The more intelligence that we can gather on our client base and our residents, the better decision making we can have. With more information, we can identify and tailor services around individual needs. It is important that we continue to work closely with our partners. We are not concerned about our less formal relationship with DWP. Regular meetings continue to take place but the nature of them has changed. The focus has shifted to clients with difficulties and issues are discussed on case by case basis.

'Clients are still report that they find the process for claiming and maintaining their claim via an online portal confusing.' Is it something that the council can monitor and put improvements in place?

Future focus will be around 'Help to Claim' service and supplying CAB with information as they are now dealing with this provision. For most claimants, UC is working but people with vulnerabilities are in need of more support.

According to the figures from the report, 20 people are waiting for their payments. How long have they been waiting? Are wait time figures available? Why is there a discrepancy in the numbers of households receiving payments?

The information provided in the report was taken from the DWP website. We are only able to obtain more detailed information for the council's clients.

The Community Advice and Support Manager will enquire with DWP with regards to wait time figures.

Is more accurate rather than anecdotal evidence available?

Not at the moment. There are some difficulties are around how to collect the data because it is such a fluctuating client base. We are trying to think of ways how to make it more structured and more factual.

If the direct payments were coming through more rapidly or on time, would one of the performance indicators be that you expect to see fewer households in arrears? Would it be helpful to look at the matter quarterly in terms of performance indicators and hard evidence?

Yes, a decrease should be seen but that would depend on when a rent arrears report is run. We charge rent on a weekly basis, a direct payment from DWP comes in every four weeks. A client would be in arrears for three weeks, at balance following a payment from UC and then start going back into arrears again.

Do we have statistical neighbours that we can compare performance with? Are there any crossovers that we could look at? Other key performance indicators?

Where we are in terms of the percentage of our client base being in receipt of UC is much higher compared to neighbouring councils. Rugby, together with a handful of other authorities, started its journey with UC in 2013. It would be a hard task to try to

find a council of a similar size and demographics who went onto UC at the same time as majority of councils started their journey with UC in 2017.

Data can only be collected on our council tenants which is a small part of the demographic.

It was noted that the usefulness of any data lies in the council's ability to influence it.

How are the vulnerable claimants being supported?

The 'Help to Claim' services provides:

- Help with the initial claim, including setting up an email address if required
- Access to computer learning – working in partnership with BPC
- Access to the internet – Library and JobCentre Plus
- An explanation on how the process of claiming UC works
- Help with setting up the first appointment with JobCentre Plus and highlighting the importance of attending all appointments
- Help with gathering all the evidence required, including proving their identity
- Assisting in making a request for an advance payment
- Helping with the move from weekly to monthly budgeting, including a budget plan and identification of priority bills such as rent
- Providing help and advice on how to maintain an ongoing UC claim, including access the journal, highlighting the need to view the journal on a regular basis and the need to report any changes of circumstances

The service also links into other activities within CAB such as dealing with other debts, rent arrears, council tax arrears, etc

RESOLVED THAT –

- (1) the Community Advice and Support Manager be thanked for his attendance and informative update; and
- (2) an invitation be extended to Citizens Advice Bureau and Coventry and Warwickshire MIND to attend the next meeting of the committee on 5 September 2019 to provide a better understanding of the issues in relation to gaps in application support for vulnerable claimants with mental health issues.

8. COMMITTEE WORK PROGRAMME

The committee received a report (Part 1 – Agenda Item 6) concerning the progress of task group reviews within its remit and the forward work programme.

A member of the committee commented that the decision to not to hold the annual scrutiny work programme workshop was made by two councillors and not collectively by members of both scrutiny committees. It was highlighted that the council was in desperate need of more public engagement and the workshop was a form of public engagement.

The Chair added that both chairs were trying to ensure that time spend by committees on topics was productive and not spend on scrutinising issues that the council had no control over.

The committee was informed that the work programme workshop could be reintroduced in the future if members felt that it was a valuable addition to public engagement. The numbers of attendees over the years had fallen but a new approach could be developed to try to improve attendance.

Clarification on how the decision was made and how the effectiveness of the new process of public engagement was being monitored will be sought by the Chair of the committee and update will be provided at the next meeting on 5 September 2019.

RESOLVED THAT – the topics identified for inclusion in the 2019/20 work programme as listed in the report be noted.

CHAIR