

Coventry City Council
Minutes of the Meeting of Finance and Corporate Services Scrutiny Board (1) held
at 10.00 am on Wednesday, 2 September 2015

Present:

Members: Councillor J Mutton (Chair)
 Councillor A Andrews
 Councillor S Bains
 Councillor D Chater
 Councillor G Duggins
 Councillor R Lakha
 Councillor T Skipper
 Councillor D Welsh

Other Members: Councillor K Maton

Employees:

Place B Hastie
 G Collins
Resources V Castree
 R Hartopp
 G Paddan
 A Williams
 T Savill

Apologies: Councillors J Blundell and T Sawdon

Public Business

8. Declarations of Interest

There were no declarations of interest.

9. Exclusion of Press and Public

RESOLVED that, under Section 12A of the Local Government Act 1972, the press and public be excluded from the meeting for the items of business referred to in Minutes 17 below relating to Coventry Investment Fund on the grounds privacy as it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

10. Minutes

The minutes of the meeting held on 1 July 2015 were agreed and signed as a true record. There were no matters arising.

11. **Outstanding Issues Report**

Outstanding issues have been picked up in the Work Programme.

12. **Discretionary Housing Payments 2015-16**

The Scrutiny Board considered a Briefing Note of the Executive Director of Resources on the position of first quarter (April – June 2015) regarding Discretionary Housing Payments 2015/16 (DHP). The DHP provides short-term help to people who are experiencing difficulties paying their rent. The DHP policy was approved by Cabinet in March 2013 in preparation for the national Welfare Reforms which were introduced from April 2013.

In 2014/15, a budget of £811,865 was received from the Department for Works and Pensions (DWP) and the whole of this budget was spent. This financial year the DHP funding has been reduced to £619,313. The DWP have advised that this was mainly as a result of lower numbers of people affected by the welfare reforms than originally estimated. The Scrutiny Board reviewed the comparisons between the number of applications received and awarded as shown in the table below:

	Q1 2014/2015	Q1 2015/2016
Housing Benefit caseload(end of June)	39,254	37,198
DHP Budget allocated for year	£811,865	£619,313
Number of DHP applications received 1st quarter	1046	441
Number of DHP applications awarded 1st Quarter	170	112
Amount awarded in 1 st quarter	£187,913	£160,895

Members wanted to know how the scheme was promoted, to seek assurance that a reduction in the number of claims was not due to residents being unaware of the support available to them. They were assured that everyone who claims benefits is aware of the fund as they are told when they are sent information about their benefit claims.

Questions were also asked about the increased use of food banks in the City, particularly by those in work and the issue of reclaiming bonds from landlords/tenants at the end of a tenancy, where the Council had paid the bond to secure private sector rented accommodation. Members requested information on how much DHP funds were utilised to pay housing bonds annually, and how much the Council had been able to reclaim. The Board also asked for an update on the partnership working taking place across the City on Welfare Reform and an update on the impact of these changes of Coventry citizens.

RESOLVED, that the Scrutiny Board:

- 1. Notes the contents of the Briefing Note**
- 2. Requests a further briefing note on the membership and areas of work covered by the Welfare Reform Group**

3. Officers provide information relating to reclaiming of housing bonds at the end of a tenancy

13. Public Consultation - Local Council Tax Support Scheme

The Scrutiny Board received a Briefing Note on the Public Consultation – Local Council Tax Support Scheme. The report headed Public Consultation – Local Council Tax Support Scheme was considered at the Cabinet meeting of 11 August 2015. The Briefing Note introduced the content of that Cabinet Report and detailed the recommendations for the Board.

The Council Tax Support (CTS) is a means tested discount to help low income households with the cost of council tax payments. The Council awarded over £27.6 million in council tax support 2014/15 to approximately 33,500 households in the City. A consultation is being undertaken about changing the CTS scheme to deliver savings for the Council, which will end 26 October 2015.

The Board was advised that Officers had considered various models for revising the CTS; conscious of the impact this would have on vulnerable groups and the need to consider the impact on incentives to work. Some of the work had been informed by the experiences of other local authorities who have revised their schemes previously. The following four options had been considered and option 4 was preferred:

Option 1 – No change: This would option would incur additional costs for 2016/17

Option 2 – exclusion of vulnerable groups: by excluding one part of the working age population the encumbrance of additional costs increased for all other low income households.

Option 3 – Increased taper: a viable option notwithstanding the potential impact on incentives to work given that some excess income earned would be reduced through a lower level of Council Tax discount.

Option 4 – Minimum contribution: preferred option as it would apply a blanket reduction regardless of individual circumstances or the type or level of income of the customer.

An additional option was considered in respect of second adult rebate; this was complicated to administer, difficult to understand and gave a relatively small additional saving as take up of the discount is.

The Board sought clarification on the following:

- a) Consultation document in terms of comprehending the material/questions
- b) Dealing with issues of none payment of Council Tax and potential court costs
- c) Linking the consultation to other pending changes in welfare reform through shops and local events

- d) Estimated eventual collection rate of 90% - applied to the scheme changes within the report
- e) The Equality Impact Assessment for those affected by the change

RESOLVED, that the Scrutiny Board:

- 1) Note the content of the Briefing Note**
- 2) Request a further Briefing Note with additional information on the impacts of the proposed changes on citizens for the next meeting on 11 November 2015; before a decision is made to respond to the consultation document**
- 3) Work programme to be updated with this item**

14. Coventry Investment Fund Update

The Scrutiny Board considered a Briefing Note of the Executive Director of Place concerning the Coventry Investment Fund and how the fund is promoted.

The Coventry Investment Fund (CIF) operated as a revolving investment fund to enable commercial investment projects to take place in the City that otherwise would not. The purpose of the Fund was 'to grow Coventry business rates and achieve economic benefits for its citizens'. The Fund could offer a range of investment types including loans, equity, rental guarantees and in exceptional circumstances grants. It was also available for public sector infrastructure investment where such investment supports the purpose of the Fund.

The Scrutiny Board noted that the Fund had recently completed its first annual report, which was attached as appendix one to the report. To date the Fund has committed £16.6m (33%) towards projects totalling £130m which was forecasted to create 845 jobs in the City.

Members questioned the officers and responses were provided. Matters raised included:

- Development of other projects; without CIF investment
- Cathedral Lane – investment
- Current demand for CIF
- Bring forward major development sites and employment projects for example on Friargate
- How the figures relating to the number of jobs created are being calculated

RESOLVED that the report be noted and a further report to be presented in 2016/17 and this item to be included in the future work programme.

15. **Work Programme 2015-16**

The Board noted the work programme for the year and agreed that the following items to be included:

- Public Consultation for 11 November meeting
- Reclaiming Housing Bonds
- Further CIF report

16. **Any other items of Public Business**

There were no other items of public business.

17. **Coventry Investment Fund Update**

Further to Minute 14 above, relating to the public aspects of this matter, the Board considered a private Briefing Note of the Executive Director of Place to note the information on the Coventry Investment Fund – Annual Report.

RESOLVED that the Briefing Note be noted.

(Meeting closed at 11.40)