

**OVERVIEW AND SCRUTINY COMMISSION
13 SEPTEMBER 2012
7.30 - 9.30 PM**



Present:

Councillors Leake (Chairman), Angell (Vice-Chairman), Mrs Angell, Mrs Birch, Ms Brown, Finnie, Gbadebo, Harrison, Heydon, McLean, Turrell, Virgo, Birch and McCracken

Executive Members:

Councillors Birch and McCracken

Apologies for absence were received from:

Mr D Moss, Catholic Diocese of Portsmouth
Mrs S Cauchi, Parent Governor Representative

In Attendance:

Richard Beaumont, Head of Overview & Scrutiny
Brian Blackmun, Revenue Services Manager
Simon Hendey, Chief Officer: Housing
Alan Nash, Borough Treasurer
Victor Nicholls, Assistant Chief Executive
Alison Sanders, Director of Corporate Services

16. Minutes and Matters Arising

The minutes of the meeting of the Overview and Scrutiny Commission held on 12 July 2012 were approved as a correct record and signed by the Chairman.

Matters Arising

Further to Minute 13 of the previous meeting, a plan of the Twin Bridges Roundabout improvements had been circulated with the agenda. Members requested that further details be circulated in order to clarify the nature of the improvements.

17. Declarations of Interest and Party Whip

Councillor Mrs Birch declared a personal interest as the spouse of the Executive Member for Adult Social Care Health and Housing.

18. Public Participation

There were no items submitted under the Public Participation Scheme.

19. 2013/14 Budget Overview

The Borough Treasurer provided a briefing on the proposed budget strategy and timetable for 2013/14.

He reported that the fundamental difference between the 2013/14 budget compared with recent years was the uncertainty around future Government support. Many of the

details associated with the localisation of business rates were still awaited and it was likely that many existing grants would be absorbed within the new funding arrangements. Accordingly, the precise level of resources available to fund the 2013/14 budget would not be known until the Provisional Local Government Financial Settlement was published in December.

For this reason the Commitment Budget contained a number of options ranging from a 2% (best case) reduction to a 7% (worst case) reduction in Formula Grant. Further efficiency savings would not be sufficient to bridge the anticipated funding gap so the Council would also need to consider:

- a) taking a firm line to limit future year's pressures;
- b) utilising available balances;
- c) increasing the Council Tax, with each 1% generating £490,000 additional income;
- d) identifying savings to front line services which might result in service reductions or closures.

It was likely that a combination of all four approaches would be required. Officers anticipated that the Executive would agree the 2013/14 budget proposals in December, following which there would be a public consultation.

Arising from Members' questions and comments, the following points were noted:

- It was assumed that NHS funding for Adult Social Care would remain at the same level as at present but this was subject to the Provisional Local Government Financial Settlement.
- It was assumed that funding for specific grants (currently £13.685m) would reduce.
- It was assumed that the Council Tax Freeze Grant would continue in some form into 2015/16 but that the additional Council Tax Freeze Grant of £1.220m received for 2012/13 was a one off.

The Commission acknowledged the difficulties applying to the formulation of the budget, thanked the Borough Treasurer for the information provided and requested that he notify Members of any subsequent changes which would significantly affect budget variables.

20. **Local Council Tax Support Scheme**

The Chief Officer: Housing gave a presentation on the requirement to replace the national Council Tax Benefit Scheme with a local Council Tax Support Scheme by 31 January 2013.

He reported that the Executive Member for Adult Social Care, Health and Housing had agreed a number of proposals for consultation so as to inform the construction of the Council's new scheme, for approval by full Council. This consultation had begun on 30 July and would continue until 26 October.

Members discussed the consultation material and were provided with clarification on a number of matters. Arising from Members' questions and comments, the following points were noted:

- The new scheme would impact on precepting authorities.
- The Borough Treasurer had taken the potential funding shortfall of a local scheme into account in his budget calculations.

- There was no indication that pensioners would be adversely affected by a local scheme.
- With the exception of the option of including income that was currently disregarded in the calculations, officers had all the information to implement a local scheme without the need for additional means testing.
- The service was being redesigned to ensure that people would be aware of their entitlements under the local scheme.
- The software was able to deal with individuals who became pensioners during the year.
- If the Council did not implement a local scheme then the Government's default scheme would come into effect, generating further financial pressure on the Council.
- To date 340 responses to the consultation had been received.

The Executive Member for Adult Social Care, Health and Housing thanked the Members of the Adult Social Care, Health and Housing Overview and Scrutiny Panel for their recommendations and stated that all responses would be considered. He reported that the new scheme would be fair and would be communicated widely.

Among views expressed by Members were that the backdating of claims should continue and that the capital limit of £6,000 should be reduced.

The Commission thanked the Chief Officer: Housing for his presentation.

21. **Council Tax Discounts and Exemptions**

The Director of Corporate Services and the Revenue Services Manager reported on the Government's proposals to give billing authorities greater discretion over the reliefs from council tax available in respect of second homes and some empty properties along with other potential reforms of the council tax system. These changes would be introduced from 1 April 2013.

There were a wide range of options to be considered which were outlined in the report.

Arising from Members' questions and comments, the following points were noted:

- It was difficult to predict what the effect of the options might be on private sector rentals.
- In response to the Government consultation, landlords had expressed the view that they did not want the exemption period for vacant homes removed with immediate effect.
- The Council could use its discretion regarding council tax liability e.g. when a person went into hospital.
- When a property became vacant because someone died the property was exempt from council tax for six months after the granting of probate unless someone moved in.
- With regard to option 5.3: Replacing the exemption for vacant homes with a discount, it would be possible to have an exemption period followed by a discount but that this would be more complex.
- Other authorities were, in general, looking to remove discounts and reduce exemptions.

The Executive Member for Culture, Corporate Services and Public Protection stated that he would welcome suggestions that the Commission wished to make regarding the various options.

Although individual Members made a variety of suggestions, there was general agreement that maximising income in respect of second homes and empty properties was preferable to cutting services in order to bridge the anticipated funding gap.

The Borough Treasurer explained that pooling of Business Rates with other Berkshire Authorities was being explored and, if it was advantageous, the Executive would be asked to approve it.

The Commission thanked the Officers for their report.

22. Quarterly Service Reports (QSR) 2012/13

The Commission noted the Quarterly Service Reports for Corporate Services and the Chief Executive's Office for the first quarter, April to June, 2012/13.

23. Corporate Performance Overview Report (CPOR)

The Commission received the Chief Executive's Corporate Performance Overview Report for the first quarter, April to June, 2012/13.

Arising from Members' questions and comments, the following points were noted:

- The increase in the number of children with protection plans was a concern and reflected the increased priority given by the Council.
- The names of the two schools which had full Ofsted Inspections during this period would be supplied to Members.
- The changes to IT systems to implement the national benefit changes could not be made until the consultation had ended. As the scheme came into effect on 1 April 2013, this represented a significant risk.
- Each school conversion to an academy had financial implications for the Council. Nevertheless the Council supported schools' choice over the academy programme.

24. Work Programme Update

The Commission received a report setting out a summary of progress made against the work programme for 2012/13

The following Members volunteered to participate in the Working Group on Delegated Authorities:

Cllrs Robert Angell, Mrs Birch, Finnie, Gbadebo (subject to availability), Heydon and Leake.

It was agreed to combine this item with Updates from Panel Chairmen for future meetings.

25. Updates from Panel Chairmen

Children, Young People and Learning

The Working Group on School Governance had held its first meeting today.

Health

The Chairman thanked members who had attended meetings of the Health and Wellbeing Panel

26. **Executive Forward Plan**

The Commission considered items on the Executive Forward Plan relating to corporate issues and the following points were noted:

- The item on Aviation Policy had been withdrawn in the light of the recent Government announcement.
- The item regarding the Community Cohesion Strategy was a monitoring report and not a policy document.

27. **Date of Next Meeting**

It was noted that the next meeting of the Overview and Scrutiny Commission would be held on 22 November 2012.

CHAIRMAN