

Commenced: 6.00pm
Concluded: 7.48pm

**Resources and Governance Board
19 November 2013**

Present Councillor Martin (Chair)
 Councillors Ashburner, Radford, Davis, Jones, Russell,
 Roberts, L. Winter and Stanton

27/13 Apologies for Absence

Apologies were received from Councillor Nawaz.

28/13 Late items introduced by the Chair

There were no late items.

29/13 Declarations of Interest

There were no declarations of interest.

30/13 Minutes of the meeting held on 7 October 2013

The minutes of the meeting held on 7 October 2013 were agreed as a correct record and signed by the Chair.

31/13 Call-in

There were no items.

32/13 Council Cabinet Forward Plan

Resolved to note the Forward Plan.

33/13 Sold Services to Schools

The board received a report from the Director of Human Resources and Business Support which focused on the Sold Services to Schools Study and stated that the Council sold a wide range of educational, transactional and property services to schools within Derby. These services included 25 discreet services provided by Children and Young People, Resources Directorate, and Neighbourhoods which had cumulatively generated around £3.6million of income for the authority.

It was explained to the board that the report had been commissioned to

acknowledge the need to change how services were offered to schools as they have gained increased independence and flexibility for procuring services from an expanding range of suppliers. The consequence of this was that the Council's income for services principally offered within the Resources Directorate and property services were reduced. To address this issue it was acknowledged the Council needed to change how services were offered to enable schools to do business with the Council more easily. The commissioned report researched how this aim could be achieved; it identified what schools wanted and highlighted increased opportunities for service development. A member of the board queried how the sales side of providing services would be handled, as it was important to deliver what we are marketing we can do; the Strategic Director of Human Resources responded and said that it was important to liaise closely with schools, regularly visit them and deliver exactly what we marketed.

Much discussion between the board members ensued and officers were questioned about the services sold to schools. These included:

- Human Resources
- Property Services
- Information Computer Technology

The Director of Information Computer Technology stated that private sector companies had seen schools as a new market. A number of schools had gone with outside suppliers but are now looking to talk to the Council about returning when their current contracts are due to be renewed. A member of the board commented that competitors had undercut on price but delivered poorer quality services. This resulted in the Council's higher price in the long term equalled better value for money.

Based on the findings of the report the Council needed to agree a strategic approach to both schools' engagement and the provision of traded services the proposed actions were to:

- Appoint a lead to head up sold services to drive their development and marketing. This role should have a clear focus on income generation and ideally be based in Children and Young People
- Focus on core education activities initially to ensure continuing delivery of high standards so that the Council remains the schools partner of choice, before looking to draw in other services
- Adopt an account management approach to ensure greater focus on customer needs
- Develop more customer focussed and service standards aligned to those offered by other suppliers
- Implement a portal to market sold services to replace the schools brochure making it easier to buy
- Explore the potential for greater collaboration with other suppliers including the County Council, Teaching School Alliances and private sector suppliers to raise standards

- Explore the opportunity to supply outside the local authority to other suppliers and in neighbouring authorities.

A board member requested a copy of the Key Summary Report and was assured a copy of the full report was available for the board.

Resolved to note the report and accept the recommendations

34/13 Discretionary Welfare Payments

Members considered a report from the Strategic Director of Resources which was presented by the Director of Customer Management. This outlined the Welfare Reform Act 2012 that had legislated for the biggest change to the welfare system in over 60 years, with the Government stating its commitment to deliver a total saving of £18 billion over five years. A number of these reforms – abolition of Council Tax Benefit; changes to Local Housing Allowance; Local Authority local assistance scheme and the bedroom size criteria – came into force on 1 April 2013. The benefit cap was implemented from 15 July 2013.

The report stated that these welfare reforms had resulted in a financial reduction in benefits paid to Derby residents which helped with their rent and council tax, these in turn impacted on the discretionary funds listed below which had been made available to ease the impact:

- Discretionary Housing Payments
- Discretionary Council tax Hardship

The Discretionary Housing Payment was reviewed by the Council in July 2013 at which point a third of the received applications had been assessed which enabled the Council to implement changes based on insight into the demand, which provided more informed predictions of likely spend.

The Discretionary Housing Pay funds are available to support residents with a shortfall between Housing Benefit and rent payable. This shortfall can arise for a number of reasons including welfare reforms:

- shortfall in Housing Benefit as a result of Local Housing Allowance (LHA) limitations
- shortfall in rent faced by a private sector tenant where the rent is restricted to the Rent Officer's valuation
- shortfall in Housing Benefit where the claimant's income is higher than their applicable amount and there is a taper deduction made
- shortfall created by a non-dependant deduction to Housing Benefit
- reduction in Housing Benefit as a result of the under occupancy bedroom cap legislation
- reduction in Housing Benefit as a result of the household benefit cap.

The Government set a limit on how much the Council could spend on Discretionary Housing Payments which was set at £560,754

The board requested statistics regarding applications from the Head of Benefits and Exchequer Services who confirmed until 15 November 2013 there had been 1125 applications, 950 of which had been allocated £268,298 worth of funding. There had been 195 new applications in the previous 6 weeks which indicated an average of 30 – 32 new applications every week, this had increased from an average of nine per week in the previous year which totalled 536 applications in 2013 to date.

A member of the board stated that whilst there was a stigma invoked by the media attached to claiming benefits it was important to inform people of what they could claim and commended the Council's promotion to encourage uptake of the Discretionary Housing Payments.

The board requested for more detail on the Discretionary Council Tax Hardship fund, the Director of Customer Management stated that the amount spent so far from the fund was £4233.43 after receipt of 189 applications, of which 199 had been processed with 45 awards having been made averaging £94.08 per application.

Resolved to note the report and accept the recommendations.

35/13 Review of Local Assistance Scheme

The board received a report from the Director of Customer Management which was presented on behalf of the Strategic Director of Resources. It contained the details of the Review of the Local Assistance Scheme which was administered by the Council from 1 April 2013 which replaced the discretionary elements of the of the Department for Work and Pensions Social Fund.

No new onus had been placed on Local Authorities in respect of Local Assistance, which gave the Council flexibility to design emergency provision which met needs of local vulnerable residents.

The report reflected how the Council has flexed the scheme to provide effective support to residents who qualified for funding and practical support to meet their short term financial needs.

The board were told by the Head of Finance (Adults, Health, Housing and Resources) that the Council were working with third sector partners to help people who wouldn't apply and action was being taken to meet targeted needs. A member of the board sought clarification on the qualifying criteria of a local connection having been removed for certain applicants. It was verified that in some cases a local connection was exactly what was not needed by a client for instance those who had fled due domestic violence or hate crime. The criteria has been removed in those instances, approximately four applications of this nature were received each month.

Members questioned the presenting officer regarding how applicants were made aware of the service, who confirmed that the majority of applicants were sign posted by their support worker.

It was noted by the members that the winter months were upon us and shelter and hot meals were needed; they asked what provision had been made and what funds were available. The officer confirmed that Derby City Mission had been given additional help to provide necessary provision and that £50,000 had been set aside.

Members also noted that a high number of applications had been received but the qualifying criteria had not been met and recommended if applicants are refused it was recommended they approach reputable organisations such as Credit Unions who are backed by the Financial Services Authority.

Resolved to note the report.

36/13 Revenue and Capital Budget Proposals 2014/2015 – 2016/17

Report from Strategic Director of Resources was considered by the board this presented the Revenue Budget Proposals 2014/2015- 2016/2017. This was for public consultation in line with the Council's budget strategy agreed by Council in September 2013. This consultation document was circulated to all elected members and contained details of individual proposals for saving money to meet the multi-million pound budget challenge facing the council in 2014/2015. Savings of £29 million in 2014/2015, £31 million in 2015/2016 and £21 million in 2016/2017 which were an expected total of £81 million over three years.

The budget proposals pertinent to the board were those which related to the Resources Directorate and fell within the remit of the Resources and Governance Board. The proposal stated the Resources Directorate is required to find savings of £2.974 million which represented 12.5% of its net budget which equated to 56 full time equivalent posts. In 2014/2015 savings of £1.003 million were further pressures to be noted.

Members acknowledged the Council needed to save £81 million over the next three years to balance the budget.

The Strategic Director of Resources outlined the pressures which existed on the budget an example given was the Electronic Document and Records Management System which resulted in less paper and processing but had initially incurred extra Information Technology costs but saved money in the long term.

It was raised by a member that the reserves sheets were not available in the report, the member was reassured by the Strategic Director of Resources that they would be available in the January 2014 budget report.

The Director of Legal Services outlined proposed staff savings within the Resources Directorate; which included Legal and Mayoral staff. The outcome would be the Mayor would only perform statutory duties. Details were also provided of the potential for legal services to be sold externally to generate income to add to the employment law packages already purchased by schools.

Members acknowledged the Council needed to save £81 million over the next three years to balance the budget.

Resolved to note the budget recommendations.

MINUTES END