

ITEM 4

Commenced: 6.00pm
Concluded: 8.09pm

RESOURCES AND GOVERNANCE BOARD 14 NOVEMBER 2012

Present Councillor L Winter (Chair)
Councillors Ashburner, Davis, Radford, Roberts, Sandhu, Stanton and Tittley

Councillor Sandhu was absent for consideration of minute 32/12 onwards.

26/12 Apologies for Absence

An apology for absence was received from Councillor Carr.

27/12 Late items introduced by the Chair

There were no late items.

28/12 Declarations of Interest

There were no declarations of interest.

29/12 Minutes of the meeting held on 15 October 2012

The minutes were agreed as a correct record and signed by the Chair.

30/12 Call-in

There were no items.

31/12 Review of Electoral Cycle

The Strategic Director of Resources attended to provide evidence for consideration by the board as part of the review of the electoral cycle. Views were presented on the advantages and disadvantages of all-out elections every four years compared to the existing system in Derby of elections by thirds.

The strategic director suggested that four-yearly elections provided a greater degree of certainty. It was suggested that the commercial sector was able to look at the city with a greater deal of assurance enabling a better business focus. It was also proposed that a four-yearly arrangement enabled better medium term financial planning.

The strategic director suggested that Derby's traditionally low council tax base

was in part linked to the elections by thirds system. It was highlighted that Derby's base was 10.3 per cent below the national average, 15 per cent below the Derbyshire average, 18 per cent below the East Midlands average and 25.6 per cent lower than the average in neighbouring Nottinghamshire. Members were asked to consider whether they felt the authority had felt the benefit of city residents paying a traditionally low level of council tax.

It was further suggested that a four-yearly cycle enabled members to gain better expertise on technical committees such as Audit and Accounts Committee, due to appointments being more likely to be repeated year-by-year.

A number of advantages to the existing election by thirds system were then highlighted by the strategic director. These included political parties being less stretched at elections, and members being better tuned to the demands of the electorate.

The strategic director reported that it cost approximately £160,000 to run an election in the current system, resulting in a four-yearly cost of approximately £480,000. It was confirmed that significant savings would therefore be achieved by switching to a four-yearly system.

Members cited a number of reasons why retaining the existing system would be beneficial. It was proposed by members that in considering the issue, the board needed to remain focused on what best served residents rather than what best served councillors or officers. Members also suggested that elections by thirds ensured prudence in the budget as the responsibility to the electorate was more apparent. It was also suggested that all-out elections on a four-yearly cycle included a heightened risk of entire political groups being wiped out, which was not considered healthy in terms of democracy, accountability and challenge.

Resolved to note the evidence of the Strategic Director of Resources and request that the Scrutiny Manager include the evidence in the board's review of the electoral cycle.

32/12 Local Council Tax Support Scheme

A presentation on progress in implementing a Local Council Tax Support Scheme was provided by the programme's Development Manager. The presentation covered the existing arrangements, the changes that were being imposed on the council, the challenges these created and the next steps in terms of progressing the change.

It was explained that in the current scheme council tax benefit was provided for beneficiaries based on a fixed set of national rules, and was fully funded by Government. The Development Manager reported that under the new scheme, the council would be given a fixed sum of money from Government, 10 per cent lower than previous spends, and be required to allocate how that money would be distributed. The option facing the council at the outset was ultimately

to continue with the national eligibility (the default scheme) and face a resultant budget pressure of £2.6m, or amend eligibility in order to distribute the funding available. It was further reported that the position had been made even more challenging by Government imposing a requirement that any reductions would need to be realised from working age people, meaning the 10 per cent cut across the scheme could be more like 14.25 per cent for those that were actually affected.

The Development Manager reported that work had been undertaken with councils across Derbyshire on a potential countywide scheme. It had been accepted that different demographics would present difficulties in agreeing an identical scheme, but that a framework approach had been adopted to create some synergy. Joint work had been undertaken with Leicester City Council and Nottingham City Council to ensure similar schemes and avoid a postcode lottery between the cities.

It was reported that there had been a late development with the introduction by Government of a Transitional Grant Scheme. This would have enabled the council to receive a one-off grant of £364,000 but was impractical, firstly because it would require the council to adopt a scheme that was outside of that which had been worked up so far, secondly because the one-off grant would still result in a shortfall which would create a £1.3m pressure, and thirdly because the consultation which had taken place would have to be restarted.

The proposed changes to Derby's Local Council Tax Support Scheme were detailed. They included:

- Capping the Council Tax support rate to Band B rates
- Reducing the maximum limit of Council Tax support from 100 per cent to 80 per cent
- Reducing the upper savings limit for beneficiaries from £16,000 to £6,000
- Removing the second adult rebate
- Removing backdating
- Setting a minimum award level.

It was reported that consultation had taken place with major precepting authorities, the public and all working age claimants. The responses of the public consultation had been negative. It was proposed to gain final approval for the scheme in January.

Following questions by members, it was reported that the cost of consultation had been £10,600. Members felt there was an inevitability that the responses to the consultation would be negative as the people affected were most likely to respond. The Director of Customer Management confirmed that the consultation document included a range of examples to capture the different circumstances existing beneficiaries were likely to face. Concerns were raised about some of the wording in the consultation, specifically relating to questions requesting personal information about respondents.

Resolved to:

- **Commend the work of officers in establishing a workable scheme in very challenging circumstances**
- **Endorse the collaborative approach being undertaken with Nottingham and Leicester councils**
- **Recommend to Council Cabinet that the agreed scheme minimises the impact on the people of Derby.**

33/12 Council Cabinet Forward Plan

Items in the Forward Plan under the Business, Finance and Democracy Council Cabinet portfolio were considered.

Resolved to note the Forward Plan.

MINUTES END