

Minutes of a meeting of the Corporate Overview and Scrutiny Committee held on Thursday, 10 February 2022 in Council Chamber - City Hall, Bradford

Commenced 5.05 pm
Concluded 6.30 pm

Present – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT	INDEPENDENT SOCIALIST
Azam Tait Akhtar D Green Nazir	Riaz	Griffiths	Jenkins

Apologies: Councillors Bibby, Arshad Hussain and Jeanette Sunderland

Councillor Azam in the Chair

57. DISCLOSURES OF INTEREST

In the interests of transparency, Councillor Azam declared, in relation to Council Tax Collection (minute 64) that he held power of attorney for his parents property. The interest was not prejudicial and he remained in the meeting during discussion and voting on that item.

58. MINUTES

Resolved –

That the minutes of the meetings held on 9 December 2021 and 13 January 2022 be signed as a correct record.

59. INSPECTION OF REPORTS AND BACKGROUND PAPERS

No request to remove the restriction on a report or background paper was made.

60. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

There were no referrals made to the Committee.

61. QTR 3 FINANCE POSITION STATEMENT FOR 2021-22

The Director of Finance presented a report, (**Document “Z”**) which provided an update on the forecast year-end financial position of the Council for 2021-22.

It examined the latest spend against revenue and capital budgets and the forecast year-end financial position based on information at Quarter 3. It stated the Council's current balances, reserves and school balances.

Members were reminded that Document “Z” was the third monitoring report on the Council's 2021-22 financial position. It provided the forecast revenue and capital financial position of the Council at 31st March 2022. The report included -

- The forecast outturn of the Council's revenue budget including main changes since Quarter 2.
- The forecast financial impact of Covid-19.
- An update on Council Tax and Business Rates collection.
- A statement on the Council's reserves including movements.
- An update on the Capital Investment Plan.
- The Council's Strategic Risk Register.

Following a detailed presentation Members questioned the financial impact of the recent Government announcement that an independent trust must be set up to run Bradford's Children's Social Services. It was explained that once the trust had been formed a budget for the running of that aspect of Children's Services would be agreed.

A Member questioned what action was being taken to reduce the costly use of agency staff in Children's Social Services and measures to aid recruitment to permanent roles were reported including facilitated car parking and staff discounts. It was explained that there was not the capacity available for the number of level three social workers required. The Council had created an academy to develop their own staff including social workers and support staff. It was agreed to provide Members with details of the recruitment micro site.

School balances at Hanson School were queried and it was explained that page 20 of the report revealed the school reserves, including school contingencies, position at 31 March 2022. The deficit balance held by Hanson School was projected to increase to £5.3m at the end of the 2021/22 forecast.

Resolved

The Committee commented on the Third Quarter Financial Position Statement and looked forward to receiving further reports.

Action: Strategic Director, Corporate Services

62. UNIVERSAL CREDIT

The Strategic Director, Corporate Services, submitted a report, (**Document “AA”**) which examined the progress of, and future plans for, the roll out of Universal Credit, the impact of COVID 19 and the arrangements in place in the district to support residents.

It was explained that the scope of Universal Credit (UC) had been gradually expanded since it was first introduced with different household types falling within its scope over time. In the Bradford District there were now more households in receipt of Universal Credit than the benefits it had replaced.

The Department for Work and Pensions (DWP) had forecast that the roll-out of UC for working-age claimants nationally would be completed by March 2025.

Members questioned how the risks to residents of migrating to UC would be managed. In response it was clarified that there was the potential for some individuals to lose an element of benefit when choosing to migrate to UC and they were advised to seek financial advice.

The impact of the removal of the £20 uplift payment was questioned. Members were reminded that the uplift was for support during the pandemic. Government measures introduced to reduce the impact of removal were reported including decreased tapers for that reduction.

It was questioned if there had been any data collated to assess the impact of the removal on residents and it was clarified that initial analysis of the likely impact of the pandemic had been produced. It was acknowledged that the removal of £20 per week resulted in a £1,000 loss per annum and it was reported that there were now 64,000 claimants of which 40,000 were receiving Universal Credit and two thirds of those were not in employment. It was reported that food bank usage had increased by 50% and with increased energy costs a lot of people were considerably worse off. In addition, benefits had been calculated on a likely three per cent inflation rise, however, the Bank of England were predicting a seven point five increase. It was agreed to provide Members with the latest data available.

It was explained that there was some Government support available to people who were struggling and the Department for Work and Pensions had seen an increase in applications for Government funding. The assisted purchase scheme which had been an interest free loan to enable the purchase of goods had been amended to a grant award scheme. Winter fuel payments had been made and food vouchers had been provided for some families with school age children.

A table contained in Document AA providing a breakdown of the work status of Universal Credit claimants by Job Centre was queried. It was explained that not all claimants were required to seek work, for example, if they had an underage child. -

The report revealed that the Government had identified £113 million to support new claimants in making a claim for Universal Credit through the Future Support

Offer and, in response to questions, it was clarified that this work was carried out by the Citizens Advice Bureau.

A Member questioned the impact of benefit caps and was advised that caps could be higher with Universal Credit. It was agreed to provide additional information on the impact after the meeting.

A Member suggested that a number of people migrating from legacy benefits to Universal Credit would suffer financially through enforced changes and questioned what plans were in place to assist the difficulties they would face. In response it was explained that the Government pilot referred to in the report was to ascertain the support which would be required. Members questioned if the pilot population would be randomly selected and their location in the UK. It was believed that lessons would be needed to interpret the pilot and to consider the volume of people impacted financially by the migration.

A Member expressed a view that it would be more difficult for people to remain on legacy benefits and was concerned that vulnerable people would run into difficulty if they were unable to manage their budgets. It was accepted that some people did find it difficult to manage fluctuating incomes and acknowledged that there had been an increase in people requiring supported accommodation. It was explained that this had been an attempt to remove people from addiction and provide life skills.

The report revealed that in 2020/21 unsubsidised Housing Benefit for the supported housing sector amounted to £677,085. The amount for financial year 2021/22 at November 2020 was £506,295, and was forecast to be £893,000 by the end of the year. That shortfall had to be met from Council budget. The 2021/22 forecast included a one-off backdated cost related to the reclassification of some tenancies as Supported Accommodation and the cost of that one off payment was questioned. It was reported that the cost had been £180,000.

In response to questions it was clarified that there was a risk that, if the sector continued to expand at the present rate and the expansion was by providers who were not registered social landlords the cost to the Council would increase. Where the Council were commissioning services it would, where possible, be with a registered provider in order to mitigate financial loss through unsubsidised Housing Benefit. In response to questions about the availability of the required number of registered providers it was explained that as the volume of residents needing that support in the future was not known so the requirement could not be calculated.

It was agreed that a report in 12 months-time focusing on the migration of universal credit would be useful and it was requested that the report include historical data of the number of residents migrated to universal credit to allow Members to understand the trajectory of that group.

Resolved

This committee requests that a report be presented in 12 months, which focuses on the:

- **Roll-out of Universal Credit in the District;**
- **Inclusion of historical data.**

Action: Strategic Director, Corporate Services

63. COUNCIL TAX COLLECTION

The report of the Strategic Director, Corporate Resources, **Document “AB”** examined performance of, and challenges in, the collection of Council Tax.

Document “AB” revealed that the majority of those liable for Council Tax did pay as billed, but some did seek to avoid paying and more formal collection and recovery action needed to be taken in those cases. Actions taken to collect Council Tax were not intended to create undue financial hardship and the Council sought to support those in most need. Collecting from low income households, while at the same time supporting the most financially vulnerable, had always been challenging.

The report highlighted the process of Council Tax collection; details of the Council Tax Reduction (CTR) scheme; measures to deal with non-payment of Council Tax and service improvements including digital contact with residents.

Future challenges to the service were reported and included managing household debt.

Following a detailed presentation Members discussed measures taken to address non-payment. Whilst the report did not provide the costs of enforcement action taken through the courts it was agreed to provide information on the volumes of cases and costs incurred, via email to Members, following the meeting.

Empty property premium charges and collections were discussed and the effectiveness of the premium charges in reducing the number of empty properties was questioned. In response it was explained that collection was more difficult from empty properties and court costs were avoided at every opportunity.

Resolved

That a progress report be presented in 12 months.

Action: Strategic Director, Corporate Services

64. BUSINESS RATE COLLECTION

The report of the Strategic Director, Corporate Services, (**Document “AC”**) set out the Council's performance in, and the challenges for, the collection of Business Rates. The report also considered the impact of changes to the business rates system recently announced by Government.

Document “AC” reported on the impact of the pandemic on trading conditions for local businesses and the added pressure on the Business Rates service resources to administer the Government’s business support grants which had made 2021/22 the most difficult year ever for the collection of business rates.

Members were aware that, as part of its response to the pandemic, the Government had introduced the Expanded Retail Discount (ERD) scheme and the Nursery Discount scheme to help mitigate the impact of restrictions and limitations on the ability to operate and trade

As a consequence of the ERD scheme the Council had significantly less business rates to collect during 2020/21 and 2021/22 than in previous years. A table of collection rates was provided in the report. Members were advised that since March 2020 the focus of the service had been on processing grant payments. Not all businesses were supported by the Government schemes and had full business rates to pay. Reminders for late payments had been issued and the service had been receptive to struggling businesses. Assurances were provided that enforcement through the courts had been a last resort in an endeavour to enable businesses to continue to operate and provide employment.

It was reported that the Government had undertaken a national business rates review. No detailed consultation had been received, however, Members were assured that details would be provided when that was received.

The assistance available to businesses at the current time was questioned and it was explained that many had been assisted with in excess of £228 million being provided to 17,000 businesses. The ERD scheme had been extended to 31 March 2022, however, from 1 April 2022 those businesses would be entitled to 50% business rate relief capped at £110,000.

Members noted the significant reduction in collection rates contained in the report and questioned the likelihood of achieving 70 to 80% collection rates over time. In response it was stated that it was envisaged that collection rates of 97/98% could be achieved over a 5-year period. It was confirmed that in year collections were always low but were paid over time, however, the difficulty to be faced would be how businesses survived the pandemic.

It was queried who paid successful court refund challenges as the business rate collected was divided between the Council which retained 49%, central government which retained 50% and the West Yorkshire Fire Authority which received 1%. It was explained that rating appeals were funded proportionally to reflect how they were retained.

A Member questioned what action was being taken with regard to fraudulent claims for support and was advised of actions taken against 60 claims up to the end of January 2022. Awareness and knowledge of fraud had increased and processes had been improved.

Whilst it was acknowledged that it was outside of the Council’s control concern was expressed about the ability for companies to dissolve their businesses and reopen under a different name.

Resolved

This Committee requests that a progress report be presented in 12 months, which also focuses on the impact of the Governments Business Rate Review.

Action: Strategic Director, Corporate Services

65. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during consideration of Not for Publication Document “AD” and its related appendices on the grounds that it is likely in view of the nature of the business to be transacted or the nature of the proceedings, that if they were present, exempt information within Paragraph 3 (Information relating to Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended), would be disclosed and it is considered that, in all the circumstances, the public interest in excluding public access to the relevant part of the proceedings outweighs the interest in publication of the report.

it is in the public interest in maintaining these exemptions because it is in the overriding interest of proper administration that Members are made fully aware of the financial implications of any decision.

66. INDUSTRIAL SERVICES GROUP (ISG)

The Strategic Director of Corporate Resources (NOT FOR PUBLICATION Document “AD”) provided an update on the financial performance of Industrial Services Group.

Resolved

- 1. The Committee endorses the current business strategy.**
- 2. This Committee would like to keep an overview of this and requests that a progress report be presented in 12 months, which also specifically focuses on the apprenticeship offer from ISG, for its disabled staff, supporting them to develop their skills and experience.**

Action: Strategic Director, Corporate Services

67. CORPORATE OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2021-22

The Chair of the Committee submitted a report (Document “AE”) which presented the Committee’s work programme for 2021/22.

The Overview and Scrutiny Lead advised Members of an informal meeting being arranged. The meeting would be similar to a meeting held last year including Regeneration and Economy Overview and Scrutiny Members who would once again be invited to attend. The West Yorkshire Mayor had also been invited together with colleagues from the West Yorkshire Combined Authority. The meeting would be held remotely and Members were asked to advise the Overview and Scrutiny Lead of topics they would like to be included. Clarity on the HS2 project was suggested.

Resolved

The Committee discussed and amended the work programme.

No Action

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Corporate Overview and Scrutiny Committee.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER