

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on Tuesday, 3 September 2019**

#### **Present:**

Councillor Russell (Chair) – in the Chair

Councillors Ahmed Ali, Battle, Clay, Davies, Lanchbury, B Priest, A Simcock, Stanton and Wright

#### **Also present:**

Councillor Ollerhead, Executive Member for Finance and Human Resources

**Apologies:** Councillor Andrews, Moore, Rowles and Wheeler

#### **RGSC/19/43 Minutes**

#### **Decision**

To approve the minutes of the meeting held on 16 July 2019 as a correct record

#### **RGSC/19/44 Revenue and Benefits Annual Performance Report 2018/19**

The Committee considered a report of the City Treasurer, which provided Members with an overview of the performance of the Council's Council Tax, Benefits and Business Rates service areas for the 2018/19 financial year. The report also provided an update on key areas of work and the welfare reform changes.

The main points and themes within the report included:-

- The annual performance results for the Revenues and Benefits Unit, covering the collection of Council Tax collection, Benefits administration and Business Rates collection;
- Performance data in respect of areas of discretionary support including Discretionary Housing Payments (DHP), Discretionary Council Tax Payment Scheme (DCTPS) and Welfare Provision Scheme, including food poverty grants;
- Summary data on welfare benefit changes including the progress to transfer claims to Universal Credit and those areas of welfare reform administered by the Council, including spare room subsidy (bedroom tax) and Household benefit cap;
- Key issues affecting the Unit and service areas and details the headline performance targets and objectives for the year ahead; and
- Ward deprivation statistics that provided context and background to the ward based information within the report.

Some of the key points that arose from the Committees discussions were:-

- How many empty properties existed where the Council was unaware of who the owner was and how did the Council go about trying to obtain this information;
- How difficult was it to implement Orders for Sale where property owners had failed to pay outstanding Council Tax debts to the Council;
- What happened in instances where owners who had failed to pay Council Tax sold on their properties;
- Did Officers ever undertake unplanned reviews of body camera footage from Enforcement Officers to ensure the Officers were operating appropriately and within the law;
- Were there specific reasons as to why Council Tax collection rate and the amount of Council Tax arrears collected had reduced from 2012/13 onwards;
- What was the Council's stance on pursuing debt owed by those on low income and/or benefits;
- In terms of the information sharing pilot with HMRC for recovering unpaid Council Tax, did the details of 4000 residents passed to HMRC related to just Manchester residents or was this nationally;
- Of the proportion of residents details that the Council had passed to HMRC did they fit a certain demographic or was the sample random
- What safeguarding was in place for people where the Council might have ordinarily identified through the use of Enforcement Officers some kind of vulnerability that it might no longer be able to identify as the Council adopted more automated methods for the collection of unpaid Council Tax, such as the pilot with HMRC;
- How would the model currently used by the Team for tracking down those who owed Council Tax work for those who were not based in the UK for tax purposes;
- Clarification was sought as to number of Council tenures in the city that were in award of discretionary housing payments
- How many families had benefitted from the £75,9990 Discretionary Council Tax Payment that had been awarded to help those with two or more children;
- It was suggested that if Universal Credit claim forms did not require details on the number of children within a household then the Council should lobby the DWP to collect this information;
- Concern was expressed as to the level of rent expected to be paid for dispersed temporary accommodation and it was asked how this level had been set; and
- Did the Council have figures in relation to the level of debt owed to the Council through the use of dispersed temporary accommodation.

The Corporate Revenue Manager advised that in most cases, the Council could only get information relating to property ownership off the Land Registry, however contacting the owner was not always easy as the only detail required by the Land Registry was an owners address. The Council did go through various processes such as credit reference agencies to try and trace the owners of properties. The Council did consider the use of Charging Orders as these could be served on a property, whereas Bankruptcy orders required papers to be served on an individual. He advised that he did not have the figures available in relation to how many properties existed where the Council was unaware of who the owner was but agreed

to look into this and provide the information to Members. In terms of Orders for Sale, it was explained that if this was pursued through a Charging Order, it required a judge to enforce the sale and was therefore not always guaranteed to be granted.

In instances where owners who had failed to pay Council Tax sold on their properties, the Director of Customer Services and Transactions advised that unless there was an order on the property when it sold, the Council could not lay claim to any unpaid Council Tax. Reassurance was given that the Council was relentless in trying to secure any unpaid monies and would look at the use of attachment of earnings orders, write to individuals and if necessary send Enforcement Officers to try and obtain the debt owed to the Council, even if they had moved outside of Manchester. The Director advised that at present the Council did not undertake any 'dip test' of body cameras, however Revenue and Benefits Officers would undertake visits with Enforcement Officers, which in some instances would reveal wider intelligence on families who were in need of support. The Director commented that there would be nothing preventing 'dip tests' to be undertaken and gave a commitment to undertake this and report back in next years report.

The Committee was advised that prior to 2012/13 residents who were on Income Support or equivalent, received Council Tax benefit equivalent to 100% of the Council Tax due. Due to changes in legislation by central government in 2012/13, that abolished Council tax benefit and replaced this with localised Council Tax Support Schemes, the Council no longer received the same level of funding to cover the full cost of Council Tax Support, as such, the Council's Local Council Tax Support Scheme was amended to ensure it remained affordable whilst taking into account other budgetary pressures, which resulted in the requirement for those in receipt of Council Tax support having to pay a contribution towards their Council Tax. This had started at an 8.5% contribution and had risen up to a 17.5% contribution at the present moment. Reassurance was given that the payment plans for those on a low income or benefits were based on their presenting circumstances, available income and level of engagement in order to try and recover the money owed and put them on debt repayment journey.

The Corporate Revenue Manager informed the Committee that the details of 4000 residents passed to HMRC did relate to just Manchester residents and this was broken down into 10 batches of 400, each batch with a different type of debt owed. In terms of safeguarding, the process the pilot had to go through before launching included a presentation to the Board, which included Debt Advice Agencies before it was signed off. The Council was required to send out warning letters to residents advising that they had been provided with their information from HMRC and that it was intended to implement Attachment to Earnings Orders unless they got in touch to make a repayment arrangement. The Council also referred individuals to the Citizens Advice Bureau where vulnerability was identified.

In terms of tracking down individuals who owed Council Tax but who were not based in the UK, it was reported that this was a challenge but if the Council had any contact details including their employers details, attachment of earnings could be considered. If the property was owned by a company then a Winding Up order would be considered.

Officers advised that the reason it appeared that the City had a high number of Council tenures in receipt of discretionary housing payments was due to the way the Council still recorded the payment of a proportion of these tenancies.

It was reported that the £75,990 Discretionary Council Tax Payment that had been awarded to help those with two or more children had helped 324 families across Manchester and the Council continued to work on this area to ensure all families that qualified for this support received appropriate payments.

In terms of dispersed temporary accommodation, it was explained that this type of accommodation was procured to place homeless families whilst a more permanent residency was sought. In effect this was often private landlord accommodation. The Director of Customer Services and Transactions advised that the rental levels were agreed some years ago and were set at a level the Council had committed to in order to secure the properties. It was reported that this had been an area that the Council had been reviewing to see if there was any savings or efficiencies that could be achieved but it was a very complex area to find an appropriate resolution to. The amount paid by the Council used to be recoverable through a government subsidy, however this had reduced and consequently there was now a cost incurred to the Council.

The Director of Homelessness advised that the system for dispersed temporary accommodation was to move away from the use of B&B accommodation and family type hostels. The difficulties the Council faced in securing these properties was due to the demand in the wider housing market and willingness of some landlords to house those who were deemed homeless. He advised that steps were being taken to review this area with a view to drive down costs and provide private rented solutions. He advised that he did not have the data to hand in relation to the level of debt owed to the Council through the use of dispersed temporary accommodation but agreed to provide this information to the Committee.

## **Decision**

The Committee

- (1) Welcomes the update on the performance of the Council's Council Tax, Benefits and Business Rates service areas for the 2018/19 financial year;
- (2) Requests that the Members be provided with a briefing note on the number of properties that existed where the Council was unaware of who the owner was and the action it could take to obtain this information
- (3) Note the commitment from the Director of Customer Services and Transactions that staff will undertake 'dip tests' of Enforcement Officers' body cameras and telephone calls, at the request of the Committee, and that this will be reported back in next years Annual Report;
- (4) Requests that the Director of Homelessness provide a briefing note on the level of debt owed to the Council through the use of dispersed temporary accommodation and that this includes a comparison with Local Housing Allowance rates on a ward basis.

## **RGSC/19/45 The impact of the Welfare Reform agenda on the Council's finances and its ability to provide support to residents of Manchester**

The Committee considered a report of the City Treasurer, which provided Members with an up to date position statement on the roll out of Universal Credit (UC) in the city and the impact on the Council's finances and its ability to provide support to residents of Manchester.

The main points and themes within the report included:-

- The status of Universal Credit in Manchester including claim volumes and the transition from housing benefit to UC Housing element;
- The rise in homelessness in the city and its significant impact on the Council's finances in terms of direct costs, support services and on discretionary budgets;
- The volume and amount Discretionary Housing Payments made;
- The demand and payments from the Welfare Provision Support scheme continued to increase and it was expected that the budget would be overspent by the end of the financial year should the Council carry on receiving requests and approving payments based on the current demand;
- Collection issues, including the impact on Council Tax recovery and rent collection; and
- Details of financial support to the Council to provide support to UC

Officers also provided the Committee with details of work that had been undertaken between the Council, the DWP and Northwards Registered Housing Provider to try and address the payment of rental arrears of tenants.

Some of the key points that arose from the Committees discussions were:-

- Had the Council undertaken any projections in relation to how quickly UC was rolling out and at what point households were likely to tip into homelessness and the impact this was likely to have on the Council's presentation of homeless people;
- There was concern that the total rental arrears had increased by over £1million over the last 12 months within two key housing providers and the ability of the Council to be able to offer sufficient support needed to maintain tenancies; and
- How could the Council maximise direct rental payments to landlords for those tenants on UC.

Officers advised that due to the complexity of UC and its potential impact on homelessness it was very difficult to project the likely number of households that would possibly tip into being made homeless but it was acknowledged that this was a risk factor that the Council was looking at. The Director of Customer Services and Transactions commented that the challenge the Council faced was Government kept changing the date of UC roll out and as a consequence it was difficult to collate certain information. What the Council had done was use its Discretionary Housing Payment to help sustain tenancies and help avoid homelessness and this was aided by having good relationships with the Registered Providers. The Director of Homelessness added that the Council was undertaking a homelessness prevention

pilot in Moss Side as this was an area of the City that had a high proportion of private rented accommodation and UC claimants to test out what could be done to prevent entry into the homelessness system.

The Committee was advised it was the understanding of Officers that Landlords could apply for a direct payment when rental arrears reached a certain level, but this required Landlords to be engaged with their tenants. The Director of Customer Services and Transactions agreed to speak to Registered Providers for more information on this and provide an update to Committee.

## **Decisions**

The Committee

- (1) Notes the report;
- (2) Requests that the Director of Customer Services and Transactions contacts Registered Providers for more information on how they can maximise direct rental payments for those tenants on UC; and
- (3) Requests that all Members of the Council be provided with copies of the report for information.

## **RGSC/19/46 Discounting compensation payments for Windrush failings for the national Housing Benefit calculation**

The Committee considered a report of the City Treasurer, which provided Members with the proposal to use the Council's discretion under section 13A (1) (c) of the Local Government Finance Act 1992 to reduce the Council Tax liabilities for those individuals receiving payments from the Windrush Compensation Scheme from the Home Office.

The main points and themes within the report included:-

- DWP advice was that compensation payments made by the Home Office under the Windrush Compensation Scheme (WCS) and the Windrush Exceptional Payments Scheme should be disregarded for Housing Benefit purposes on an extra-statutory basis with the agreement of HM Treasury;
- Any payments made to claimants in respect of the WCS should be disregarded for the purposes of income or capital calculations indefinitely;
- The Council's current Council Tax Support (CTS) scheme did not include
- provision to disregard compensation payments from the WCS. This meant that beneficiaries of the WCS could lose some or all entitlement to Council Tax Support because of the compensation they receive;
- It was therefore appropriate that in this situation, scheme changes were made to ensure that the CTS scheme aligned to the new approach determined for the assessment of Housing Benefit.

The report would also be considered by the Executive at its meeting on the 11 September 2019

The Committee unanimously supported the proposals contained within the report and suggested that local MP's be made aware of the proposed changes to the Council's CTSS as it was felt that it would be MP's who would be contacted in terms of Windrush complaints.

## **Decisions**

The Committee:-

- (1) Endorses the recommendation to the Executive as detailed below:-
  - That the Executive is asked to approve the proposal to reduce the liability of a liable person for Council Tax under section 13 A (1) (c) of the Local Government Finance Act for people receiving payments from the Windrush Compensation Scheme.
- (2) Requests that the Executive instruct officers to share the proposal, once approved, with Manchester MP's so that they are aware of the changes.

## **RGSC/19/47 Overview Report**

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit, responses to previous recommendations. An item for information was included in the report which provided details of the progress made against motions passed by Full Council in the last 12 months.

Members were also invited to agree the Committee's future work programme.

Some of the key points that arose from the Committees discussions were:-

- Responses to the outstanding recommendations should be provided as soon as possible;
- Further information was requested on the following Register of Key Decisions entries:-
  - Carbon Reduction Programme (2017/06/30C);
  - Manchester Active Annual Contract Renewal 2020 (2019/04/02B);
  - House of Sport (2019/07/26A); and
- Clarification was sought as to whether the Executive was required to give consideration to motions once passed by Full Council

The City Treasurer (Deputy Chief Executive) gave a commitment to ensure response to outstanding recommendations were provided before the Committee next met.

The Executive Member for Finance and Human Resources advised that there was no requirement for the Executive to give consideration to each motion once passed by full Council and the only instance where this would happen would be if there was an ask of the Executive to undertake a course of action which fell within the functions of the Executive. The City Solicitor added the Council motions tracker set out the progress made against motions from the point of view of Officers. It was acknowledged that as Council motions were inherently political by their very nature, it

would not be appropriate that the tracker detailed a reflection of the political elements of any motions.

The Chair proposed that the Committee received a further update on the progress made with Council motions in six months time.

## **Decisions**

The Committee:-

- (1) Notes that updates will be provided on the outstanding recommendations before the next meeting;
- (2) Agrees to receive an update on the progress of motions passed at Full Council in six months time; and
- (3) Agrees the work programme for future meetings

## **RGSC/19/48 Domestic Violence and Abuse (DV&A) Review (Part A)**

The Committee considered a report of the Strategic Director (Neighbourhoods) and the Director of Homelessness, which set out plans for developing and delivering a strategic review into Domestic Violence and Abuse (DV&A) services, and the current procurement being undertaken to support this work.

The Director of Homelessness outlined the main point and themes within the report.

Some of the key points that arose from the Committees discussions were:-

- It was commented that not all Domestic Violence (DV) incidents were necessarily reported;
- Did the Council have a Domestic Violence strategy and if so what were the KPI's;
- Was there equitability in funding and allocated resources allocate to support vulnerable communities, such as LGBT and BAME;
- Decisions around the spend on domestic violence should not be unduly influenced by the desire to avoid the escalating cost of homelessness;
- Clarification was sought as to what was meant by the need for the Council to adopt an ethnographic approach in building a case for change;
- What had been the impact of the loss of supported accommodation which had been brought about due to austerity measures;
- Were people making themselves 'intentionally homeless' when they were actually fleeing DV, and what was being done to mitigate the problems associated with this for those individuals;
- Was there a risk of conflict between the aim in preventing homelessness and the need to help individuals get away from risks of DV;
- Further information was sought on re-locating individuals who had been subject to DV outside of the City and the Greater Manchester region and where there were instances of this, did the Council's outreach workers visit these victims;
- When was it expected that the strategy review would be fully scoped, what were the time scales for starting and finishing;

- There was concern that if it was intended that the strategic review was to keep within the existing financial envelope it was difficult to see what services could be provided that would be significantly better than those currently provided;
- What was the cost of the strategic review and had this been factored into the existing financial envelope; and
- There was a need to be cognisant of the fall in provision and the use of alternative forms of accommodation by those fleeing DV which were often not suitable and presented additional risks to those individuals.

The Director of Homelessness advised that the report set out some of the provision that existed for LGBT and BAME communities. In terms of cases of DV, it was acknowledged that the numbers reported did not necessarily represent the total number of cases that existed and this could be reflected by peoples trust in the Police or local circumstances and a point of the review was to try and get a handle on the extent of DV at a community level so that funding could be distributed equitably.

It was explained that an ethnographic approach required the Council to be open minded and set aside assumptions it may have as to what it thought constituted domestic abuse and instead it needed to build its commissioning strategy on actual evidence as opposed to what it thought was needed.

The Director of Homelessness commented that the loss of any form of supported housing was a tragedy in homelessness prevention terms. Whilst it was important to develop and ensure that there was the capacity available for people to stay as long as they needed to stay in supported accommodation, it was also important to ensure that they were able to move when they were willing to without putting an artificial limit on the length of time someone could stay in supported accommodation. He reported that instances where individuals who were making themselves intentionally homeless due to DV should be exceptionally rare. In a wider sense, there was a need for earlier intervention in order to prevent people getting to the point of presenting as homeless. It was also reported that there shouldn't be a risk of conflict between preventing homelessness and the need to help individuals get away from risks of DV but this would be dependent on the Council's approach. It needed to be recognised that if services were developed based on people's needs and were focussed on outcomes it would be more cost effective for the Council to deliver these services and this was the approach being taken with the review.

The Committee was informed that the Council where necessary, did commission temporary dispersal units outside of Manchester and Greater Manchester if it was in the best interests of an individual's safety and this would be part of any future commissioning process. It was also reported that everyone who was placed in dispersed accommodation had access to a link/support worker who would be able to provide specialist support. He agreed to provide the Committee with information on how quickly this support was accessible by individuals placed in dispersed accommodation.

The Director of Homelessness advised that he did not have the detail to hand in terms of when it was expected that strategy review would be fully scoped but gave a commitment to provide this information to the Committee. There was no named

individual leading on it, although it fell within his purview. In terms of the budget, the review would be working to the existing financial envelope across all the services.

The City Treasurer (Deputy Chief Executive) advised that this review was no different to any other service area in the Council. As the Council was constrained by the resources it had available, any service review would need to be undertaken within the existing financial envelope available. Any particular pressures or issues would be picked up as part of the medium term financial planning process. The Director of Homelessness advised that he would provide information on the cost of the review and projected time scale to Members.

## **Decisions**

The Committee:-

- (1) Notes the report; and
- (2) Requests that the Director of Homelessness provides Members with information on:-
  - How quickly support was accessible by individuals placed in dispersed accommodation;
  - When the strategic review was intended to be fully scoped; and
  - The projected timescale for the strategic review to be completed and anticipated costs.

## **RGSC/19/49 Exclusion of the Press and Public**

### **Decision**

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information

## **RGSC/19/50 Domestic Violence and Abuse (DV&A) Review (Part B)**

The Committee considered a report of the Strategic Director (Neighbourhoods) and the Director of Homelessness, which provided contract information and contract values in relation to current Domestic Violence and Abuse (DV&A) services procured by the Council.

The Director of Homelessness referred to the main points and themes within the report and answered questions from the Committee.

## **Decisions**

The Committee:-

- (1) Recommends that the Deputy Leader (Councillor S Murphy) and Officers look to ensure the continuation of all Domestic Violence and Abuse services until the strategic review has concluded, including but not limited to those services

where funding is sourced from other agencies and is due to expire in March 2020;

- (2) Recommends that whilst the Committee is cognisant of budgetary pressures, the Deputy Leader (Councillor S Murphy) and Officers undertaking the review do not restrict the review to its current financial envelope;
- (3) Recommends that Officers take on board the concerns of the committee in relation to the delivery of specialised commissioned services; and
- (4) Requests that Members be provided with an update that will provide information on:-
  - When the review will commence and conclude;
  - Who will be involved in the review; and
  - The budget provision afforded to the review