

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Scrutiny and Overview Committee held on
Thursday, 6 September 2012 at 6.00 p.m.

PRESENT: Councillor Ben Shelton – Chairman
Councillor David Whiteman-Downes – Vice-Chairman

Councillors:	Richard Barrett	Alison Elcox
	Lynda Harford	Mark Hersom
	Roger Hickford	Charles Nightingale
	Janet Lockwood	Bunty Waters

Councillors Simon Edwards, Sue Ellington, Mark Howell and Ray Manning were in attendance, by invitation.

Officers:	Phil Bird	Revenues Manager
	Dawn Graham	Benefits Manager
	Jackie Sayers	Scrutiny Development Officer
	Richard May	Policy and Performance Manager

Apologies for absence were received from Councillors Jose Hales, Roger Hall (substituted by Councillor Richard Barrett) and Ted Ridgway Watt (substituted by Councillor Charles Nightingale).

9. DECLARATIONS OF INTEREST

There were no declarations of interest.

10. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting held on 5 July 2012 were **AGREED** as a correct record for signing by the Chairman.

11. PUBLIC QUESTIONS

There were no public questions.

12. LOCALISED COUNCIL TAX SUPPORT

Dawn Graham, Benefits Manager, introduced this item, explaining the background to, and key provisions of, the Localised Council Tax Support (LCTS) scheme, on which the Council was currently consulting prior to implementation in April 2013. LCTS had been introduced as part of the government's Welfare Reform and Deficit Reduction proposals. In transferring support schemes to local level, the government had reduced the amount of funding available, giving rise to a shortfall of around £1 million based on current demand. The consultation paper set out a number of options for the Council to reduce this deficit which, given the requirement to protect pensioners at current levels, was likely to mean residents of working age receiving proportionally higher cuts to their entitlement.

Phil Bird, Revenues Manager, outlined a number of options which were open to the Council to reduce Council Tax Exemptions and Discounts on certain types of empty and second homes. Removing these discounts could lessen the impact of reductions in the LCTS scheme, but would mean some Council Taxpayers paying much more than they did currently and potentially discourage developers from building in the district, if

neighbouring authorities maintained discounts at higher levels. Members were further advised that the Council could not confidently anticipate full collection of additional revenues payable under a local scheme.

The Committee considered each of the principal options presented.

(1) A percentage cut in support for all

Under this proposal, all non-protected claimants would receive a percentage cut to their entitlement, regardless of their circumstances. This could mean reductions of up to 55% in benefit entitlement and make the total required savings of £1 million in 2013/14.

The Committee felt that it would not be appropriate to impose a blanket cut such as this, when there were other options which could result in a fairer local scheme for all. Once other options had been taken into account, a lower percentage cut might be acceptable.

(2) Introducing a maximum limit to the amount of Council Tax Support that can be paid

Under this proposal, all claimants (except those protected) would have to pay up to the first 45% of their Council Tax, with even those on the lowest incomes only receiving discounts from part of their Council Tax. This change could make the required savings of £1 million in 2013/14.

The view was expressed that a lower maximum limit might be appropriate, taken in conjunction with the other options put forward. Members requested further modelling work on the financial impact of different percentage limits.

(3) Increasing contributions from other adult members of the household

Assessing the means of other adults living in claimants' households could raise £20,000 through an increase in the maximum amount that could be reduced from benefit. Members supported this proposal.

(4) Changing the amount of savings a person can have and still receive any benefit.

This proposal could generate savings of £3,000 by reducing the amount of personal savings above which residents were not entitled to claim Council Tax benefit from the current £16,000.

Members expressed concern at this proposal which appeared to discourage prudent saving, would be costly to administer and disproportionately damaging to the Council's reputation compared to the savings that could be generated.

(5) Capping the Council Tax Support to a Band D

Under this proposal a person's Council Tax support would be limited to a level for a smaller house, potentially generating savings of £52,000.

It was noted that work to address under-occupy would reduce the number of claimants living in houses in higher Bands; however, large families requiring this size of property stood to be significantly affected. The Benefits Manager advised that most under-occupants amongst the Council's tenants lived in houses Banded A-D; there were a small proportion of owner-occupying claimants who would face large reductions.

Members asked for consideration to be given to a scheme which capped entitlement at a particular level of mortgage and the introduction of an interim period during before cuts became effective.

(6) Removing Second Adult Rebate

This Rebate, payable to claimants with second adults in the same property on low incomes, could be cut, potentially making a saving of £16,000. Members supported this option.

(7) Introduce minimum income level for Self-Employed

Benefit entitlement for self-employed claimants was currently calculated on net profit rather than an hourly rate. Under this proposal, claimants not earning the minimum wage may be asked to contribute more towards their Council Tax bills, generating a potential saving of £52,000.

Members were not supportive of this option, considering that it would be difficult to administer and act as an unacceptable disincentive to business.

(8) Introduce Minimum Benefit Awards

The introduction of a minimum award would mean those receiving small amounts of benefit currently, could no longer receive benefit. This could potentially generate a saving of £5,000.

A minimum level of £2 per week was suggested. In response to a question, the Benefits Manager advised that the number of claimants potentially affected by a minimum award varied regularly as individuals' circumstances changed.

(9) Introduce an Additional Earnings Disregard for those whose income includes Earnings

The introduction of increased earnings disregards (earnings not taken into account in the calculation of benefit entitlement) would mean that those claiming support due to low earnings would qualify for more help. Whilst potentially increasing expenditure, this was considered a favourable option in terms of encouraging residents to seek and remain in employment, worthy of serious consideration. The possible introduction of time-limited disregards, for example the first six months of employment, was also suggested.

(10) Other Options

The Committee was advised that Cabinet had considered including Child Benefit, Disability Living Allowance and Child Maintenance Income in the calculation of benefit entitlement but was not minded to support them due to the likely adverse impact on the Council's more vulnerable residents. Setting a maximum period for which discounts were receivable was also explored; however, no particular advantages could be identified from this option.

Some Members felt that these benefits should be treated as income for entitlement purposes as they would for mortgage and loan applications. Others supported the Cabinet's view in respect of protecting vulnerable groups; it was suggested that a proportion of this income could be taken into account.

Members felt that there was no advantage to the introduction of a Maximum Discount

period; it was considered that all claimants should be required to make annual signed declarations of their circumstances, although Members were advised that this was not current practice and had substantial resource implications.

(11) Council Tax Discounts and Exemptions

Members supported the proposals for reducing Discounts and Exemptions, subject to the following:

- The imposition of a 50% Premium on homes empty over two years was considered unfair and not supported;
- Class A Vacant dwellings should receive a 25% Council Tax discount for three months
- The 100% charge for Empty Homes should apply after one year, not two as proposed.

In response to a question, the Revenues Manager advised that the number of properties to which the Empty Homes Premium might apply was not known, as all were already categorised under the wider category of Class C Vacant dwellings (empty and substantially unfurnished).

(12) The 'Do nothing' option

Councillor Simon Edwards, Finance and Staffing Portfolio Holder, asked the Committee to consider a 'do nothing' options under which all entitlements to Council Tax Benefit would be protected at current levels and the £1 million shortfall funded from other sources.

The view was expressed that this option would result in a missed opportunity to address inequities within the current framework whilst protecting the most vulnerable and incentivising employment. Moreover, it was likely that the Council would be required fund a proportion of the LCTS regardless of any commitment to introduce a local scheme preserving current entitlements.

Summary

The Chairman thanked Members for their contributions and advised that feedback would be collated by officers and would inform the final draft scheme, to be submitted for Cabinet and Council approval. He reminded the Committee that the public consultation continued until 5 October; this included further events at villages around the district.

13. WORK PROGRAMME 2012/13

The committee considered a report setting out the latest position in respect of its work programme for 2012-2013.

Councillor Sue Ellington, Environmental Services Portfolio Holder, and Mike Hill, Health and Environmental Services Director, attended the meeting to provide further clarification to response to queries raised previously by the Committee in respect of the Council's waste and recycling performance.

Councillor Ellington reported that South Cambridgeshire District Council, as the waste collection authority, technically put no waste into landfill sites; Cambridgeshire County Council was the waste disposal authority. The County Council's new Mechanical

Biological Treatment (MBT) waste processing plant further processed waste presented by South Cambridgeshire DC, therefore the tonnage submitted to the plant from South Cambridgeshire bins did not correlate to the amount subsequently put into landfill. The Council estimated that 10-13,000 tonnes of waste from South Cambridgeshire were put into landfill each year; however, this was an approximate figure which therefore could not be considered a reliable indicator of South Cambridgeshire's performance - it reflected the work of the County Council and was not one which the district council could readily influence.

14. MONITORING THE EXECUTIVE

The Committee noted that a Leader's Portfolio meeting had been held on 23 July 2012; however, neither of the Scrutiny Monitors had attended.

15. TO NOTE THE DATES OF FUTURE MEETINGS

The Committee noted the dates for future meetings set out in the Agenda.

The Meeting ended at 8.05 p.m.
