

Overview and Scrutiny Committee

Minutes of a Meeting of the Overview and Scrutiny Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **26th June 2018**.

Present:

Cllr. Chilton (Chairman);
Cllr. Michael (Vice-Chairman);

Cllrs. Bartlett, Buchanan, Dehnel, Mrs Dyer, Farrell, Feacey, Knowles, Miss Martin, Mrs Martin, Sims.

In accordance with Procedure Rule 1.2 (iii) Councillors Sims and Mrs Dyer attended as Substitute Members for Cllrs. Burgess and Krause.

Apologies:

Cllrs. Burgess, Krause, Shorter.

Also Present:

Cllr. Pickering - Porfolio Holder for Human Resources and Customer Services.

Director of Finance & Economy, Senior Revenues & Benefits Officer & Welfare Reform Partnership HUB Manager, Head of HR and Customer Services, Human Resources Manager, Member Services and Ombudsman Complaints Officer, Senior Policy and Scrutiny Officer.

Development Worker – Together Canterbury
CEO – Kent Savers Credit Union
Board Director and Treasurer – Kent Savers Credit Union

67 Declarations of Interest

Cllr. Feacey made a Voluntary Announcement as he was Chairman of the Ashford Volunteers Bureau.

68 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 22nd May 2018 be approved and confirmed as a correct record.

69 Tenterden Community Hub Presentation

The Development Worker from Together Canterbury gave a presentation which covered:

- Other projects involving Together Canterbury;
- Reasons why Credit Unions could make a difference;
- Debt action chart indicating credit scores against loan amounts and availability of credit assistance;
- Connecting Canterbury branches;
- Tenterden Community Hub and links to Credit Unions.

The Chairman thanked the Development Worker for the presentation and opened up the item for discussion, during which the following points were raised:

- A Member asked about the relationship between Tenterden Community Hub and Ashford Borough Council, and how the Council could assist. The Development Worker responded that local churches had strong relationships with the Council and were getting the necessary support. Sometimes a small cash injection was needed to get projects off the ground, typically in the region of a few hundred pounds.
- There was a question about the proportion of users on welfare against those in employment. The Development Worker said that it varied according to location. In some areas 100% of users were unemployed, but in others many users were in employment.
- A Member asked about the impact of Universal Credit and the role of Christians Against Poverty. The Development Worker explained that the biggest challenge with regard to Universal Credit was the transition period. It was important for communities to provide support and advice during this transition period. Christians Against Poverty was based in Bradford and outposts were run in conjunction with local churches. The service was offered to those in need, including home visits, and was funded by the local churches.
- There was a question about the percentage of users requesting help with loans against those wishing to invest into Credit Unions. The Development Worker said that this varied greatly between different areas. In some areas the main activity involved investment into Credit Unions, while elsewhere the main focus might be loans.
- A Member asked about defaults on loans, and whether this was a concern during the transition to Universal Credit. The Development Worker said that it was important to manage the level at which defaults occurred and it was likely that there would be a higher default rate when working with more disadvantaged users. Financial education, courses and training were part of the solution to assist users to move away from debt and become more able to manage their own finances.
- In response to a question about the Universal Credit transition period, the Development Worker said that the Government and local offices reported that the majority of users transferred with no problem, but 2% had more problematic lives and struggled with the Universal Credit system. It was important to create partnerships with local housing associations and DWP Partnership Managers so as many bases were covered as possible.

Resolved

That the presentation be received and noted.

70 Kent Savers Presentation

The CEO from Kent Savers Credit Union gave a presentation which covered:

- Services offered by Kent Savers, including savings, loans and online/alternative bank accounts;
- Background to Kent Savers, including membership, loans and interest rates and performance;
- Future plans;
- Working with Ashford Borough Council;
- Financial support.

The CEO and Treasurer outlined details of the savings accounts and loans available through the Credit Union, highlighting the flexibility offered through being able to save and relatively low interest rates (up to 42.6% APR) that offered a preferable alternative to borrowing from payday lenders at rates frequently in excess of 1000% APR.

Information was also presented on an alternative bank account which could be used by Credit Union members regardless of their credit score or financial history . Through the Credit Union's Engage Classic Account members received a debit card which could be used for in person and online payments and cash withdrawals from their Credit Union account. The account did not allow holders to go overdrawn and could be set up for standing orders and BACS payments.

The CEO outlined the current state of the Credit Union, noting that the union was in a financially strong position but had had limitations placed on the amount of lending it could offer. An increase in bad debts had temporarily constrained their ability to make large loans, but with an increase in small loans made and repaid on time this position could be reversed.

A number of services were in development to widen the offer of the Credit Union, including the setting up of a payroll deduction programme with an increasing number of councils and local employers; investing in the Credit Union's website and a mobile app to allow 24/7 access; working within schools to support financial literacy and provide 'Junior Savers' options and the operation of an online homewares shop as an alternative to high interest rent-to-buy and white good leasing options.

The CEO spoke about ways in which the Council and Kent Savers Credit Union could work together, highlighting promotion of the Credit Union and its services and the setting up of a housing crisis loan fund within the Credit Union. Underwritten by the Council, the housing crisis loan fund could form a key component of the personalised housing plans required under the new Homelessness Reduction Act, and through the provision of a ring-fenced fund for Ashford residents, loans could be issued at the Council's discretion through using the existing Kent Savers administration set up.

The Treasurer noted the financial position of the Credit Union, noting that capital support was necessary to maintain a 3% capital to assets ratio and ideally achieve a 5% ratio. The preferred instrument for support was a long term (5 years plus) subordinated loan with interest waived, with Kent, Swale, Tunbridge Wells, Maidstone, Bexley and Canterbury Councils supporting the Credit Union in this way.

The Chairman thanked the CEO and Treasurer for the presentation and opened up the item for discussion, during which the following points were raised:

- A Member suggested that a cash withdrawal charge of 75p for the debit card administered by the Credit Union was high, given that cardholders may have low balances within their accounts. The CEO responded that the charges were compensated for by discounts offered. In addition, cash could be withdrawn at various points, such as supermarkets, where there would be no charge.
- There was a question about the business objective of Kent Savers. The CEO said that Kent Savers aspired to be a fair credit lender with affordable credit, and that any resident of Kent, Medway and the London Borough of Bexley could be a member. The organisation was the only Credit Union covering the entirety of Kent and would offer loans to anyone who was eligible, for any legal purpose. At present there were 216 members of Kent Savers who were Ashford residents (equivalent to 5% of the total membership of the Credit Union), with a total of £316,000 loaned out to these members.
- A Member asked what happened where users had no credit history. The CEO explained that the user was unlikely to get a loan immediately, but would be encouraged to demonstrate over a period of six months that they could make regular payments.
- A Member referred to the Committee's prior consideration of the Council's preparations for the introduction of the Homelessness Reduction Act, noting that this had been the starting point for the Committee's interest in learning more about Credit Unions and suggested that particular consideration should be given to working with the Credit Union on homelessness matters.

Resolved

That

- (i) **The Overview and Scrutiny Committee recommend that Cabinet instruct Officers to work with Kent Savers to establish a working relationship and identify ways in which the Council and Kent Savers can work together with particular reference to homelessness prevention and relief.**
- (ii) **The Overview and Scrutiny Committee recommend that the Council contribute a subordinated loan of £10,000 to Kent Savers to support**

their work.

71 Universal Credit Update

The Director for Finance and Economy introduced this item. He said the organisation had made preparations for the arrival of Universal Credit, and these had been monitored by the Welfare Reform Task Group. A report had also previously been submitted to Members.

The Chairman opened up this item for discussion and the following points were raised:

- A Member asked about the impact that the introduction of Universal Credit would have on claimants and on the volume of work for the Council. The Senior Revenues & Benefits Officer & Welfare Reform Partnership HUB Manager responded that the full Universal Credit scheme went on line last week for first time claimants only, or those who had a change in circumstances. This meant that there was no major impact on the Council's Officers at present and would not be for the future as this 'slow trickle' effect would run until 2023.
- A Member noted that the Council had not accepted funding from the Department of Works and Pensions (DWP) and asked who was undertaking the extra administration and whether the Council was funding the Citizens' Advice Bureau to undertake that work. The Director of Finance and Economy said that the DWP had offered to fund local authorities to provide personal budgeting support and assisted digital support. Previously the Council had taken advantage of this funding. However, the Council had declined to take further funding because it was concerned about the ability to manage the level of demand for these services. The Job Centre Plus would now provide digital support and self-help via personal computers within their branch.
- A Member said it was important that residents had somewhere to go to access these services. The Director of Finance and Economy confirmed that the DWP had no plans to continue financing the roll out of Universal Credit in the long term.
- A Member said that residents within her Ashford Ward had been referred to the Folkestone Job Centre, and she asked why they had been put into that catchment area. The Senior Revenues & Benefits Officer & Welfare Reform Partnership HUB Manager responded that Folkestone had gone live three weeks before Ashford and 6000 Ashford properties had been placed under the Folkestone catchment. Concerns had been raised with the DWP, and the Council had now been assured that the residents within this postcode could receive assistance via the Ashford Job Centre. The Member concerned said that she was disappointed that she was the Ward Member for those residents and she had not been made aware of this issue.

- A Member asked whether Officers were confident that the Council could cope with the roll out of the new system. The Director of Finance and Economy responded that the majority of the administration was undertaken by the DWP and not the Council, and that the workload for Ashford would actually lighten as case numbers were transferred to DWP over a period of time.
- There was a question about what services were available through the Council. The Senior Revenues & Benefits Officer & Welfare Reform Partnership HUB Manager responded that the Welfare Intervention Officers would help any Ashford resident, offering budgeting support, referral to Citizens' Advice Bureau and Christians Against Poverty. Assistance from the DWP was limited to assistance and digital support for Universal Credit users only.

Resolved

That the report be received and noted. An update report would be submitted to the Overview and Scrutiny Committee in January 2019.

72 Sickness/Absence 2017/18 Report

The Portfolio Holder for Human Resources and Customer Services introduced the report. He noted that the report demonstrated a good balance between sensible support for unwell employees and continued good management of sickness levels. The sickness averages were in line with national levels, and, although slightly higher than last year, still remained lower than many of the Council's counterparts. It was clear that the Council continued to be supportive of mental health issues and maintained its commitment to this important condition. Absence was distributed evenly across the organisation, with no single service experiencing a disproportionate or unexplained level of absenteeism. A third of employees had had 100% attendance and this was a very positive position.

The Chairman opened up this item for discussion and the following points were raised:

- Members expressed concern about the apparent increase in sickness absence between 2016/17 and 2017/18. The Human Resources Manager confirmed that there was a typo error in the report, and that the figure of 969.73 actually referred to the difference between the sickness absence for 2017/18 and 2018/19. She confirmed that the figure for 2018/19 was 3,495. Members were concerned about the increase in sickness absence over the last year. The Human Resources Manager explained that the general increase in absenteeism across the Council was in line with national averages and trends. She added that the number of days was distributed amongst an increased number of employees.
- A Member asked about the industrial injury/accident at work figure. The Human Resources Manager explained that this related to injuries sustained by an employee falling off a bicycle. In response to a further question, she

confirmed that staff who were required to use a bicycle as part of their duties had undertaken cycle proficiency training.

- A Member noted that one third of the workforce had 100% attendance rate. She asked whether there were any incentives or rewards, and whether it was always the same staff who achieved 100% attendance. The Human Resources Manager said that bonuses for 100% attendance generally carried problems and could be seen as discrimination in some circumstances. She said some people simply enjoyed better health than others.
- In answer to a question about the ill-health provision for staff, the Human Resources Manager said that the Council offered enhanced staff support for all kinds of ill-health. The Wellbeing Strategy covered issues such as nutrition, leisure and recreation as well as supportive ill-health intervention.
- A Member said he considered the number of absence days to be exceedingly high. He questioned whether there was a higher absence rate amongst part-time staff. He noted that if the workforce was reducing and more part-time roles were being created, there would be higher pressure on remaining employees. The Head of HR and Customer Services said that there had actually been an increased full-time equivalent head count. Part-time staff provided resilience and took advantage of the opportunity for flexible working. This often helped with child care arrangements, which could prevent absenteeism related to that issue. A Member asked for it to be recorded that the Council valued full-time and part-time workers equally. The Portfolio Holder for HR and Customer Services said that figures had been far worse in the past and that it would be interesting to see if there was an improvement next year. Managers had received a lot of training with regard to staff ill-health and absence and it was hoped this would percolate through the authority and be reflected in future absence figures.
- A Member commended Officers for a sound report and approach. She said that Members' questions and comments were not intended as criticism, but more at looking at how to avoid problems occurring. She considered that it was not appropriate to discuss trends, but focus should be on figures instead, and whether there was something that should be done differently.
- A Member asked if the next report could include the total number of employees as well as the number of full time equivalents.

Resolved

That the report be received and noted. A further report would be submitted to the Overview and Scrutiny Committee in one year's time.

73 Future Reviews and Report Tracker and Topic Selection

A Member requested that an item be added to the Tracker: the performance of the communal toilet scheme. This was agreed by Members.

A Member referred to the consideration of the Trading and Enterprise Board and A Better Choice For Property Ltd held at the previous Committee meeting and felt that there were outstanding questions regarding the property company which required further scrutiny. The Member requested that this be considered further at a future meeting of the Committee. This was agreed by Members.

Post meeting note: The Annual General Meeting of A Better Choice for Property Ltd will be held on the 21st of August with the company's auditors in attendance. All members were invited to attend this meeting should they wish to hear more about the performance and audit of the property company.

A Member noted that the Committee's recommendations in regard to the Council's Commercial Investments had been neither accepted nor rejected at the previous Cabinet meeting, but had instead been placed on effective hold pending an assessment of the costs involved. It was noted by Members that a response to the Committee's recommendations was required and the Chairman advised that if a definitive response was not forthcoming in a reasonable timeframe, he would raise the matter with the Leader.

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