

# North Tyneside Council

## Report to Cabinet

### Date: 8 April 2013

#### ITEM 6(d)

Title: Council Motions

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Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs L Arkley

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Report from Directorate: Chief Executive's Office

Report Author: Viv Geary, Head of Law and Governance (Tel (0191) 6435339)

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Wards affected: All

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#### PART 1

##### 1.1 Purpose:

The purpose of this report is to request Cabinet to consider three Motions that were approved by full Council at its meeting held on 14 March 2013.

##### 1.2 Recommendation(s):

The Cabinet is requested to consider a response to the three Motions, set out in the report, that have been approved by full Council

##### 1.3 Forward Plan:

It has not been practicable to give 28 days' notice of this report. However, the report does appear on the Forward Plan that was published on 27 March 2013, and it is required to be considered at this meeting to enable Cabinet to fully consider the Motions agreed by Council on 14 March 2013 at the earliest opportunity.

##### 1.4 Council Plan and Policy Framework

This report does not relate directly to any of the themes, programmes or projects contained in the 2012-15 Council Strategic Plan.

## **1.5 Information:**

1.5.1 The following Motions, requesting Cabinet to take action, were approved by full Council at its meeting held on 14 March 2013:

### **1.5.2 Motion signed by Councillors M J Huscroft, N J Huscroft and D Ord:**

“This Council requests the Cabinet to bring forward proposals to increase expenditure on roads and pavements over the next 10 years to eliminate the backlog of repairs, as reported to Cabinet on 12th November 2012, (as highlighted in the Asset Management Plan).

To meet this proposal Cabinet is requested to increase capital expenditure in the local Transport plan capital works by £2.5m per year, and to continue with the £1m Area Forum Road and Pavement recovery programme to the year 2022/23.”

The legal and financial implications of this Motion, as reported to Council, are as follows:

#### Legal Implications

Responsibility for delivery of the Capital Plan is a matter for Cabinet, subject to the limitations of such resources, and financial thresholds (for instance in relation to borrowing) set pursuant to the Council’s Financial Regulations.

#### Financial Implications

The 2013-2023 Capital Plan approved as part of the 2013/14 budget process includes continuation of the Roads and Pavements scheme at £1.000m pa from 2014/15 until 2022/23 (total £9.000m). It also includes an additional Highways Maintenance scheme at £1.000m pa for five years from 2013/14 (total £5.000m). The revenue costs of borrowing for these are included in the 2013-15 Financial Plan (£0.023m 2013/14, £0.179m 2014/15). (The cost after 10 years would be approx. £1.563m pa).

The revenue costs of additional borrowing to increase the Highways Maintenance scheme to £2.5m pa over the 10 year Capital Plan would be £0.034m for 2013/14, £0.201m for 2014/15. The annual cost of borrowing for the extra £20.000m for Highways Maintenance after the 10 years investment would be £2.233m.

### **1.5.3 Motion signed by Councillors J M Allan, J O Shea, C A Gambling and L Spillard:**

“In light of the result of the planning appeal on the Scaffold Hill proposals earlier this week we request Cabinet to prioritise the flood prevention work to clear the water course in a westerly direction from the culvert adjacent to Dukes pond to the culvert in the area of Bradford Av across the back of Aysgarth Av, Acomb Av and Canterbury Av in order to prevent the escalation of the flooding problems which already exist and could be exaggerated by the proposals of the scaffold hill development.”

The legal and financial implications of this Motion, as reported to Council, are as follows:

## Legal Implications (See also section 2.2)

There are no direct legal implications arising from this motion as it seeks to make a request to Cabinet. In dealing with Council's request Cabinet will be apprised of any legal implications that may arise in relation to the prioritisation of flood prevention works in the areas identified.

## Financial Implications

The work being considered by the Environment Agency would be provided from their own resources through their Youth Offenders Programme and no contribution would be required from the Council. The developers will pay for their own full flood risk assessment and will have to prove that there will be no additional flooding risk to existing homes in the surrounding area. They will also have to pay to incorporate an appropriate controlled system for surface water drainage into the development.

### **1.5.4 Motion signed by Councillors J M Allan, J O Shea, C A Gambling and L Spillard:**

#### "Bedroom Tax

That Cabinet be requested to urgently review the impact of the bedroom tax on council housing tenants and investigate the potential of reclassifying the size of our council houses, which could minimise some of the impact of the bedroom tax on some of our tenants. Also that Cabinet consider making representations to the relevant Housing Minister to urgently review the impact of the bedroom tax on social housing tenants and reverse the legislation to avoid unnecessary stress on a great many people."

(Please note that Knowsley Housing Trust has made a key decision to reclassify the size of 600 homes as part of the mitigation of the impact of the bedroom tax.)

*The Knowsley [Housing](#) Trust is to reclassify nearly 600 family homes as smaller properties. This will exempt tenants from having their [housing benefit](#) reduced under the so-called 'bedroom tax', a component of the government's [welfare](#) reform agenda, but there were other important reasons for taking this step.*

*Knowsley regularly reviews the sustainability of neighbourhoods to take account of changing demographics, tenant feedback, antisocial behaviour and local demand, and to anticipate future [investment](#) and maintenance needs.*

*It had become increasingly apparent that demand for the two- and three-bedroom flats and maisonettes was virtually non-existent.*

*These flats had been designed to accommodate families with young children, yet they no longer provided a suitable contemporary home for this type of household. Rather than having empty homes blight our neighbourhoods we have instead offered these homes to single people and couples without children.*

*After [seeking legal advice](#), we now intend to re-classify these homes while ensuring that the existing households continue to live there. The reclassification will take place from 1 April and rents will be reduced accordingly.*

*Although this decision has been reached independently of the work we are doing to protect our tenants from the negative impact of welfare reform, tenants in these*

*properties who would have been classed as under-occupying under the new bedroom tax rules, will directly benefit from these changes.*

*Unlike most other housing associations, we took the decision to limit rent increases for the past two years. This was to protect our tenants from rising prices and changes brought about by welfare reform, and to try and keep as much disposable income as possible in tenants' pockets and within the local economy. By setting rents well below the maximum we estimate we are saving tenants an average of £109 – and the housing benefit bill around £1.2m a year.*

*The decision to reclassify these properties will cost us £250,000 a year in rental income, but our [business plan](#) has fully accounted for this together with smaller rent increases.*

*It is a delicate balancing act to manage a housing provider at this time. We must ensure that the association remains financially viable so it may continue to provide the vital services so many people rely on. But we must also find ways to support our tenants, many of whom face financial difficulty while living in one of the most economically challenged parts of the country.*

*Sheila Tolley is executive director of customers and communities at [Knowsley Housing Trust](#).*

The legal and financial implications of this Motion, as reported to Council, are as follows:

#### Legal Implications (see also section 2.2)

There are no direct legal implications arising from this motion as it requests Cabinet to review the impact of the “bedroom tax” and to consider making representations to the relevant housing minister.

It is for the landlord to classify how many bedrooms a property includes. Any re-classification of a property would need to be consistent across all properties of the same type/design.

#### Financial Implications (see also section 2.1)

Any decision to reclassify the housing stock would be at a very significant cost to the council and come with substantial risk of legal challenge. The estimated impact is £62.5m over 30 years but could be higher if there were a successful legal challenge from tenants to backdate the reclassification. If this motion is agreed, full financial implications will be set out in any subsequent report to Cabinet and / or Council as appropriate.

### **1.6 Decision options:**

Cabinet is requested to agree a response to the three Motions set out above.

### **1.7 Reasons for recommended option:**

To ensure that Cabinet responds to the three Motions approved by full Council at the earliest opportunity.

## **1.8 Appendices:**

None

## **1.9 Contact officers:**

David Brown, Law and Governance (Tel. 643 5358)  
Alison Campbell, Finance Business Manager, Finance and Resources Directorate (Tel. 643 7034)

## **1.10 Background information:**

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- [agenda item](#) and minutes of the Council Meeting held on 14 March 2013.

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The financial implications of the Motions are contained in the main body of this report. With regard to the Motion on the ‘Bedroom Tax’ at section 1.5.4, if Cabinet wishes to review the classification of housing stock, full financial implications will be set out in any subsequent report to Cabinet.

### **2.2 Legal**

In relation to the motion relating to the prioritisation of flood prevention works (at section 1.5.3), the Council has developed a Local Flood Risk Management Strategy to address the flooding that has occurred across the borough in recent years. This contains an action plan which lists around 20 sites that require flood investigation and the development of improvement schemes. These sites have been assessed and prioritised so that areas at the most risk and where homes have been flooded are investigated first. As the prioritisation of sites has been undertaken in accordance with a methodology, a decision to reprioritise one site over another not in accordance with the methodology would have to be considered carefully and exceptional circumstance identified to justify a reprioritisation. The Authority is required to act with “Wednesbury Reasonableness” in relation to the decisions that it makes. This means that the Authority must, when making decisions, take into account what is relevant and ignore what is irrelevant to make a balanced and rational decision. If the Authority cannot reasonably justify reprioritisation it may open such a decision to legal challenge by persons who may be affected the decision.

In relation to the motion relating to the “Bedroom Tax” (at section 1.5.4), it is for the Authority to classify how many bedrooms a property includes. However, as the level of rent that can be charged and hence the level of benefit that can be claimed, is partly dependent on the number of bedrooms, any attempt to change the number of bedrooms downwards could expose the Authority to claims from the Department for Work and Pensions for previous overpayment of benefit, and from tenants for historical over-charging of rent.

Any re-classification of a property would have to be consistent across all properties of the same type/design.

### **2.3 Consultation/community engagement**

The Elected Mayor and Deputy Mayor have been consulted on the requirement for Cabinet to consider this report following approval of the three Motions by full Council.

### **2.4 Human rights**

There are no human rights implications arising from this report.

### **2.5 Equalities and diversity**

There are no equalities and diversity implications arising from this report.

### **2.6 Risk management**

There are no risk management implications arising from this report.

### **2.7 Crime and disorder**

There are no crime and disorder implications arising from this report.

### **2.8 Environment and sustainability**

There are no environment and sustainability implications arising from this report.

## **PART 3 - SIGN OFF**

- Chief Executive
- Elected Mayor
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager Policy, Partnerships, Performance and Communications