

# North Tyneside Council Report to Council Date: 30 January 2013

## ITEM 5

Title: Addendum Report:  
Local Council Tax  
Support Scheme

Portfolio(s): Finance  
Housing

Cabinet Member(s): Councillor Judith  
Wallace  
Councillor Paul  
Mason

Report from Directorate: Finance and Resources

Report Author: Fiona Rooney, Strategic Director of  
Finance and Resources (Tel: (0191) 643  
5724)

Wards affected: All

### PART 1

#### 1.1 Purpose:

At its meeting on 24 January 2013, following determination of the level of certain Council Tax exemptions and discounts to be awarded in 2013/14, Council agreed that Cabinet consider further options for providing a local Council Tax Support Scheme. Accordingly this report sets out the options considered by Cabinet at its meeting on 28 January 2013 and refers to Council for consideration and determination Cabinet's recommendations in respect of a Council Tax Support Scheme that will replace Council Tax Benefit from 1 April 2013. The report to Cabinet of 28 January 2013, which contains full details of the options considered, is attached as Appendix 1 to this report.

#### 1.2 Recommendation(s):

It is recommended that Council:

- (1) Consider the options for a Council Tax Support Scheme at paragraph 1.6 of the Cabinet report dated 28 January 2013 at Appendix 1; and
- (2) Agree the Council Tax Support Scheme described in Option 4 as the Local Council Tax Support Scheme for North Tyneside with effect from 1 April 2013.

#### 1.3 Forward Plan:

Notice of the initial report to Council on 24 January 2013 was given and it first appeared on the Forward Plan that was published on 12 December 2012. This report is provided as an Addendum Report to the initial report considered by Council.

## **1.4 Council Plan and Policy Framework**

This report does not directly relate to priorities identified in the Council Plan 2012-15 or the Sustainable Community Strategy 2010-2013.

## **1.5 Information:**

### **1.5.1 Background**

1.5.2 The Local Government Finance Act 1992 (as recently amended by the Local Government Finance Act 2012) requires local authorities to have an agreed Council Tax Reduction Scheme (referred to in this report as a Local Council Tax Support Scheme) in place by 31 January 2013. Such a scheme is required to be adopted by that date to take effect in relation to the financial year beginning 1 April 2013, replacing the current Council Tax Benefit scheme.

1.5.3 Under Section 67 of the Local Government Finance Act 1992, responsibility for determining such a scheme (and for reviewing it on an annual basis) falls to full Council.

1.5.4 At its meeting on 24 January 2013 the Council considered a report on the Technical Reforms of Council Tax, in which Officer recommendations would create additional funding for the Council.

1.5.5 Council agreed recommendations made by Officers in the report on the Technical Reforms of Council Tax, and this decision provided additional funding. Council requested that Cabinet consider further options for the Council Tax Support Scheme based upon this additional funding. Cabinet were asked to make recommendations to Council for consideration at the reconvened Council meeting on 30 January 2013. The additional funding as a result of Council's decision on exemptions and discounts is estimated to be £0.980m as applied to the Council Tax base calculation at 30 November 2012 (as described at paragraph 2.1 of the Cabinet report at Appendix 1).

1.5.6 At its meeting on 28 January 2013, Cabinet considered options for a Council Tax Support Scheme which included an additional scheme at Option 4 which, using the additional funding available, would increase support for working age claimants of up to 93% of their Council Tax liability. In addition under that Option, it was proposed that the remaining additional funding generated be used to increase provision within the Discretionary Housing Payment (D.H.P.) Fund to the maximum permitted level, to support residents impacted by reductions in Housing Benefit support due to changes in underoccupancy rules. Full details of this and the other options considered are set out in paragraphs 1.6 and 2.1 of the Cabinet report at Appendix 1.

1.5.7 At its meeting on 28 January 2013, having considered the options available, Cabinet agreed the Council Tax Support Scheme described at Option 4 as the scheme for referral to Council at its meeting on 30 January 2013 for consideration and adoption as the Local Council Tax Support Scheme for North Tyneside with effect from 1 April 2013.

## **1.6 Decision options:**

The decision options are set out in paragraph 1.6 of the Cabinet report at Appendix 1.

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

As set out in paragraph 1.7 of the Cabinet report at Appendix 1.

### **1.8 Appendices:**

Appendix 1: Cabinet report dated 28 January 2013, Local Council Tax Support Scheme.

### **1.9 Contact officers:**

Andrew Scott – Senior Client Manager Revenues, Benefits and Customer Services, tel. (0191) 643 7150

Geoff Huzzard – Financial Development Officer, Financial Strategy and Planning, tel. (0191) 643 5716

Tracy Vasey – Client Manager Benefits and Customer Services, tel. (0191) 643 7228

Wendy Innes – Senior Manager Legal Services, tel. (0191) 643 5338

### **1.10 Background information:**

As set out in paragraph 1.10 of the Cabinet report at Appendix 1.

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

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

The financial implications are set out in paragraph 2.1 of the Cabinet report at Appendix 1. If any option other than Option 1 is agreed by Council, any resulting amendment to the Mayor and Cabinet's draft budget proposals would be reflected in the Final Council Tax Requirement and Budget Proposals to be considered by Council on 21 February 2013.

### **2.2 Legal**

The legal implications are set out in paragraph 2.2 of the Cabinet report at Appendix 1. In relation to Option 4, which consists of two elements as described at paragraph 1.5.6 above, Council's decision making responsibility relates to consideration and determination of the Council Tax Support Scheme referred to in that Option. However the delivery of the D.H.P Fund is a responsibility of Cabinet; should Option 4 be agreed by Council, monitoring of the effectiveness of the additional D.H.P. support and review of the applicable criteria to be adopted by Officers would be addressed by the Task and Finish Group referred to in paragraph 1.6 of the Cabinet report at Appendix 1.

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

As set out in paragraph 2.3 of the Cabinet report at Appendix 1.

### **2.4 Human rights**

As set out in paragraph 2.4 of the Cabinet report at Appendix 1.

### **2.5 Equalities and diversity**

As set out in paragraph 2.5 of the Cabinet report at Appendix 1.

## 2.6 Risk management

As set out in paragraph 2.6 of the Cabinet report at Appendix 1.

## 2.7 Crime and disorder

As set out in paragraph 2.7 of the Cabinet report at Appendix 1.

## 2.8 Environment and sustainability

As set out in paragraph 2.8 of the Cabinet report at Appendix 1.

### PART 3 - SIGN OFF

- Chief Executive  X
- Strategic Director(s)  X
- Mayor/Cabinet Member(s)  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Strategic Manager Policy and Partnerships  X