

# **Extraordinary Council**

## **SUMMONS AND AGENDA**

**DATE:** Monday 21 January 2013

**TIME:** 7.30 pm

**VENUE:** Council Chamber, Harrow  
Civic Centre

**All Councillors are hereby summoned to attend the Extraordinary Council Meeting for the transaction of the business set out.**



Hugh Peart  
Director of Legal and Governance Services

Despatch Date: Friday 11<sup>th</sup> January 2013

## **PRAYERS**

The Mayor's Chaplain, Imam Anas Mohamed, will open the meeting with Prayers.

### **1. EXTRAORDINARY COUNCIL MEETING**

This Extraordinary Council Meeting has been convened in accordance with the provisions of Rule 3.1.

### **2. DECLARATIONS OF INTEREST**

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all Members of the Council.

### **3. TECHNICAL REFORMS OF COUNCIL TAX DISCOUNTS AND EXEMPTIONS (Pages 1 - 6)**

Recommendation I: Cabinet  
(22 November 2012)

### **4. LOCALISATION OF COUNCIL TAX BENEFIT (Pages 7 - 12)**

Recommendation II: Cabinet  
(13 December 2012)

# **EXTRAORDINARY COUNCIL 21 JANUARY 2013**

## **CABINET RECOMMENDATION (22 NOVEMBER 2012)**

**RECOMMENDATION I:            TECHNICAL REFORMS OF  
   COUNCIL TAX DISCOUNTS  
   AND EXEMPTIONS**

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# CABINET MINUTES

## 22 NOVEMBER 2012

**Chairman:** \* Councillor Thaya Idaikkadar

**Councillors:**

* Bob Currie	* Phillip O'Dell
* Margaret Davine	* David Perry
* Keith Ferry	* Sachin Shah
* Mitzi Green	* Bill Stephenson
† Graham Henson	

**In attendance:  
(Councillors)**

Husain Akhtar	Minute 529
Marilyn Ashton	Minute 529
Susan Hall	Minute 529
Barry Macleod-Cullinane	Minute 529
Paul Osborn	Minute 529

\* Denotes Member present  
† Denotes apologies received

### RECOMMENDED ITEMS

**532. Key Decision: Technical Reforms of Council Tax Discounts and Exemptions**

Cabinet received a report of the Corporate Director of resources, setting out proposals for Harrow to change its policy with regard to discounts and exemptions currently available to Council Tax payers following legislative changes set in the Local Government Finance Act 2012.

The Portfolio Holder for Finance outlined the proposals that would help raise revenue from 1 April 2013, as follows:

- second home discount of 10% to be amended to 0%;

- changing responsibility of liability for Council Tax on homes that had been re-possessed. This would allow the Council to charge the mortgagee in possession rather than allow a Council Tax exemption;
- abolish exemptions for unoccupied dwellings;
- charging 50% premium on top of the Council Tax on long term empty properties.

The Portfolio Holder for Finance added that the revenue raised would be used to provide services for the needy. He was also of the view that some of the proposals would help reduce crime and disorder.

The Portfolio Holder for Business Transformation and Communications welcomed the legislative changes and was briefed on the number of properties in Harrow that the measures would apply to, which he considered to be considerable. He supported the proposals.

**Resolved to RECOMMEND:** (to Council)

That the discounts and exemptions, as set out in the detailed proposals and summarised in table A, be changed with effect from 1 April 2013.

**Reason for Decision:** Agreeing the proposed changes to Council Tax discounts/exemptions would result in Harrow generating an extra £1.1m in Council Tax revenue through the application of removal of discounts or exemptions, or the application of a premium on empty homes. The proposals would mean that Harrow, and the major preceptors, would benefit from an increase in Council Tax revenue without Council Tax being increased. This would maximise tax take and support the Council's financial priorities. Harrow's share would be 80% with 20% going to the preceptors (GLA, Fire and Police Authorities).

**Alternative Options considered and rejected:** As set out in the officer's report.

**Conflict of Interest relating to the matter declared by Cabinet Member / Dispensation granted:** None.

*[Call-in does not apply as the decision is reserved to Council.]*

(Note: The meeting, having commenced at 7.31 pm, closed at 9.15 pm).

(Signed) COUNCILLOR THAYA IDAIKKADAR  
Chairman



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# **EXTRAORDINARY COUNCIL 21 JANUARY 2013**

## **CABINET RECOMMENDATION (13 DECEMBER 2012)**

**RECOMMENDATION II:**

**LOCALISATION OF COUNCIL  
TAX BENEFIT**

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# CABINET MINUTES

## 13 DECEMBER 2012

**Chairman:** \* Councillor Thaya Idaikkadar

**Councillors:**

* Bob Currie	* Phillip O'Dell
* Margaret Davine	* David Perry
* Keith Ferry	* Sachin Shah
* Mitzi Green	* Bill Stephenson
* Graham Henson	

**In attendance:  
(Councillors)**

Susan Hall	Minute 542
Barry Macleod-Cullinane	Minute 542
Paul Osborn	Minute 542

\* Denotes Member present

### RECOMMENDED ITEMS

#### 546. Key Decision - Localisation of Council Tax Benefit

The Portfolio Holder for Finance introduced the report, which set out the changes to Council Tax Benefits and Local Authorities new responsibilities for the development and adoption of a localised Council Tax Support Scheme by 31 January 2013 with implementation on 1 April 2013. The report provided feedback from the consultation carried out with Harrow residents and stakeholders and showed how the feedback had informed the development of the new localised Council Tax Support Scheme. The Portfolio Holder referred to the impact that government cuts would have on vulnerable people.

The Portfolio Holder referred how, at an early stage, it was recognised that the changes to Council Tax Benefits could have an impact on residents living in Harrow. To understand these impacts and ensure residents were given the opportunity to shape, a partnership driven structure was developed to take the

development of a new scheme forward. As a result, a multi-agency Steering Group was formed.

The Portfolio Holder invited Jill Harrison, Chief Executive of Harrow Citizens' Advice Bureau, who sat on the Steering Group to address Cabinet.

Jill Harrison congratulated the Council on the consultation process adopted which had been built on previous consultation exercises. Ms Harrison was pleased with the positive working relationships that had been established from the outset between Council officers. Additionally, the Council's financial position was clarified from the outset which had made the discussions at meetings of the Steering Group realistic. Moreover, the Council Tax benefit scheme had been simplified and was therefore easier to understand. She was pleased that the Council had gone the extra mile to identify ways to mitigate the impact of the proposals on the poorest members of the community. Overall, the consultation process had been fair and reasonable.

The Portfolio Holder for Finance thanked Jill Harrison for her kind words and identified how the engagement process had worked, which had included road shows across the borough and the use of social media. He explained that since the end of the consultation period, the government had announced the availability of a new grant which, for Harrow, was £380,000. However, the implementation of the localisation process would entail an outlay of £2m.

The Portfolio Holder referred to the various options discussed by the Steering Group, including the feedback received to the proposals for change. Of particular note were:

- people with disabilities were likely to be disproportionately affected by the Welfare Reform Act due to multiple impacts;
- people on welfare were less likely to have access to other forms of income and would have limited employment opportunities;
- carers would also be affected.

Cabinet was informed that following contributions from the Steering Group and a questionnaire as part of the consultation document had helped shape the Scheme. There had been a mixed response to the consultation and the Portfolio Holder explained how the Steering Group had arrived at the questions which had formed part of the consultation document. The response level had been high and following comments from the Steering Group, Scheme 1 was considered to be the preferred option, as it reflected the outcome of the consultation to the greatest extent and could be implemented within the resources made available by the government for Council Tax Support.

In summing up, the Portfolio Holder commended the report to Cabinet and that the decision would be taken by full Council. He explained that the 'London Borough of Harrow Council Tax Support Scheme' may require amending for circulation to Council due to further announcements expected

from the government in relation to the Council Tax Support Schemes (Default Scheme) Regulations 2012.

The Portfolio Holder for Adult Social Care, Health and Wellbeing and the Assistant Chief Executive thanked the Steering Group members and the staff from the Housing Benefits Team for their work, particularly on the consultation exercise that the Council could be proud of.

**Resolved to RECOMMEND:** (to Council) That

- (1) the new Harrow Localised Council Tax Support Scheme, at appendix H to the report, be agreed and adopted;
- (2) the parameter configuration set out in Scheme 1 for the two year period April 2013 to March 2015, which fully manages the funding gap, and recommended by officers, be agreed and adopted;
- (3) the Scheme remain in perpetuity after the two year period, with parameters uprated as per the Scheme rules, unless a policy decision is taken to replace or alter the Scheme at annual review;
- (4) the existing s13A policy on hardship agreed by Cabinet on the 3 August 2006 and now known as s13A(1)(c) be continued.

**Reason for Decision:** The Council had carried out a wide consultation to ensure that residents within Harrow were given the opportunity to give their view and help shape the new Council Tax Support Scheme. Feedback from the consultation had informed the recommendations to Cabinet and helped towards identifying the impacts of the changes.

Statutorily the Scheme must be agreed by 31 January 2013 to enable the Council to make the required savings of approximately £3.8m for the year 2013/14 and £5.1m the following year 2014/15. If this deadline was not met and a local scheme agreed, the Council would be required to deliver the default Council Tax Support Scheme. This would not allow the authority to manage the funding gap between the reduced devolved grant given to the Council and the Council Tax Support expected expenditure.

**Alternative Options considered and rejected:** As set out in the officer report.

**Conflict of Interest relating to the matter declared by Cabinet Member/Dispensation granted:** None.

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