

**CORPORATE AFFAIRS COMMITTEE**

A meeting of the Corporate Affairs Committee was held on 29 January 2014.

**PRESENT:** Councillors Clark, (Chair), Brunton, Mawston, Mrs H Pearson, OBE and G Purvis  
(as substitute for P Purvis)

**ALSO IN ATTENDANCE:** Councillor Williams

**OFFICERS:** M Barker and S Harker

**APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors P Purvis and B Thompson.

**DECLARATIONS OF INTERESTS**

There were no Declarations of Interest at this point in the meeting.

**13/13 MINUTES - CORPORATE AFFAIRS COMMITTEE - 5 NOVEMBER 2013**

The minutes of the meeting of the Corporate Affairs Committee held on 5 November 2013 were taken as read and approved as a true record.

**13/14 LOCAL COUNCIL TAX SUPPORT 2014/2015**

The Client Benefit Manager presented a report, the purpose of which was to seek Members' approval of the Council Tax Support (CTS) Scheme for 2014/2015.

The current local CTS Scheme was approved on 9 January 2013, came into effect on 1 April 2013 and replaced the previous national Council Tax Benefit (CTB) scheme. The main feature of the local CTS Scheme was that working age claimants had to pay at least 20% of their Council Tax. Pensioners were protected from any reduction under national regulations. The current scheme had worked well. There had been quite a few queries from the public during the first few months as there were approximately an additional 9000 people who had not previously been eligible to pay any Council Tax. The intention was to undertake a full review of the scheme once it had been running for one year.

All Councils were required to set a CTS Scheme annually and there were no significant changes to Middlesbrough's proposed scheme for 2014/2015. The changes proposed for 2014/2015 were; to uprate certain income for both working age and pensionable age claimants, and a small number of minor corrections due to changes in national legislation.

The Department for Communities and Local Government (DCLG) had published a statement on its intention to uprate details for the scheme for pensions from 1 April 2014. Personal allowances would be in line with Pension Credit rates, premiums would be in line with the Consumer Price Index and non-dependant deductions would be in line with growth in eligible Council Tax. The DCLG approved the Pensioner CTS scheme, whereas Local Authorities would determine the figures for working age claimants. In light of this, it was proposed that the approved local CTS scheme was updated in line with the national CTS scheme for Pensioners.

Where amounts were uprated for working age people, it was proposed that the amounts were uprated in line with the amended Housing Benefit regulations for working aged people for 2014/2015 which were laid before Parliament and notified to Local Authorities by DCLG on 24 December 2013.

A previous consultation exercise undertaken in respect of the CTS scheme confirmed that the impact of the reduction in funding should be passed on to benefit recipients and that people of working age should also pay some Council Tax. The Council did not have the option of absorbing the cost of the CTS scheme, or amending the percentage working age claimants had to pay.

Given that the Council's financial position had not improved, and that no major challenges to the scheme had been received, it was proposed that the reduction in entitlement for working age claimants should still apply.

**ORDERED** as follows that:

1. The national updated figures for Pensioners were included in the CTS scheme for 2014/15.
2. The amounts used when calculating CTS for working age claimants were updated in line with the amended Housing Benefit regulations.
3. The local CTS Scheme for 2014/15 was approved.

13/15 **LOCALISED SUPPORT FOR COUNCIL TAX EXCEPTIONAL HARDSHIP POLICY**

The Client Benefit Manager presented a report to seek Members' approval to a proposed Exceptional Hardship Policy which formed part of the changes to the Benefit/Council Tax Support Schemes and also extended existing officer delegated powers.

Under the previous Council Tax Benefit scheme, Council Tax payers could apply for help with Council Tax payments through the Discretionary Housing Payment scheme. Payments covered exceptional hardship such as loss or reduction in employment, a change in family circumstances or other unforeseen events. Awards were at the discretion of the Local Authority and were designed as short term help for the Council Tax payer. Due to the Council Tax Benefit Scheme ending on 31 March 2013, this was no longer an option for Council Tax payers.

The Government had requested all Councils to review their policy to respond to exceptional hardship in a similar way to the previous Discretionary Housing Payments. The current Section 13a Policy, which was attached at Appendix A to the submitted report, applied to all Council Tax Payers and covered flood, fire, storm damage, subsistence, explosion or major incident.

To be considered for exceptional hardship under the new provision, the Council Tax payer would have to be in receipt of Council Tax Reduction (CTR) and show continuous hardship for the relevant period whilst also demonstrating one or more of the following:

- a sudden change in circumstances such as a loss in employment;
- a reduction in income due to illness suffered by the liable person or a loss has been incurred, while they care for a dependant;
- the death of a partner or a dependant;
- sudden increase in other expenses such as due to a family member's illness or incapacity; and/or
- a disaster in the home such as fire, flood or structural damage which forced the occupants out of the house and into temporary accommodation.

It was highlighted that the list was not exhaustive. Exceptional hardship could also occur when living on a very low income. Qualifying indicators might include:

- being unable to make payments for basic utilities such as water, electricity and heating;
- receiving notification of court proceedings;
- consistently exceeding overdraft limits;
- threat of homelessness;
- unable to pay for food; or
- level of income and expenditure of the household.

The scheme would be administered by Mouchel and all qualifying factors would be taken into account, for example if a person was going through court proceedings. Any back up evidence in relation to the person's statement would be checked. If it was considered a person was in need they would receive help towards their Council tax. Applications would be authorised in the first instance by the Client Benefit Manager, with any subsequent appeals being considered by the Director of Resources.

The proposals to extend the existing policy relating to Section 13a or the Local Government Act 1992 were a Government requirement. The Exceptional Hardship Policy was cash limited and designed for short term help for the Council Tax payer. The proposed scheme would be operated in a similar manner to the previous Discretionary Housing Payment Scheme and would be administered by the Revenue Services Department in the same way as the existing Section 13a. A copy of the proposed Policy was attached at Appendix B to the submitted report.

The Council had to bear the cost of any relief awarded under Section 13a and the exceptional hardship policy. The number of applications, awards and the monetary value associated with such applications would be closely monitored by Revenue Services and reported at agreed timescales. Any expenditure would be at a level approved by the Director of Resources.

For the financial year 2013/2014, it was anticipated that £140,000 would be spent on assisting Middlesbrough residents with exceptional hardship payments towards their Council Tax which was within the budget allocated for this provision. Any future years expenditure would be considered throughout that financial year, taking into account any further changes to welfare reform. It was highlighted that the £140k funding allocated this year was from the Community Support Scheme and the scheme was intended to be profit neutral.

For the current financial year, 2013/2014, it was recommended that any awards were made from 1 April 2013, with claims being accepted by telephone to enable funds to be granted during the current financial year. The department had access to the Department for Work and Pensions (DWP) online housing benefit records, Council Tax support records and also the Community Support Scheme, to assist in verifying claims. In future years, a full written application would be required. Home visits could be made to assist applicants as appropriate.

**ORDERED** as follows that:

1. The Middlesbrough Council Localised Support for Council Tax Exceptional Hardship Policy was approved.
2. In the current financial year 2013/2014 telephone claims would be accepted, with a full written application required in future years.
3. The delegated powers of the Director of Resources already in place for Section 13a of the Local Government Act 1992 be extended to encompass the Exceptional Hardship Policy and such delegated powers were extended to the Benefit Manager - Client Unit.