

**MINUTES OF THE FULL COUNCIL
THURSDAY, 17 JANUARY 2013**

Councillors Adamou, Adje, Alexander, Amin, Basu, Beacham, Bevan, Bloch, Brabazon, Browne (Mayor), Bull, Butcher, Canver, Christophides, Cooke, Davies, Demirci, Diakides, Dogus, Egan, Ejiofor, Engert, Erskine, Gibson, Goldberg, Gorrie, Griffith, Hare, Jenks, Kober, Mallett, McNamara, Meehan, Newton, Peacock, Reece, Reid, Reith, Rice, Schmitz, Scott, Solomon, Stanton, Stennett, Strang, Strickland, Vanier, Waters, Watson, Weber, Whyte, Williams, Wilson and Winskill

Apologies Councillor Allison, Khan and Stewart

MINUTE NO.	SUBJECT/DECISION	ACTION BY
CNCL01.	<p>TO RECEIVE APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Councillors Allison, Khan, and Stewart.</p> <p>The Mayor formally welcomed the new Chief Executive – Mr Nick Walkley to the London Borough of Haringey, on behalf of all Members of the Council.</p> <p>NOTED</p>	
CNCL02.	<p>DECLARATIONS OF INTEREST</p> <p>There were no declarations of interest.</p> <p>NOTED</p>	
CNCL03.	<p>TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM</p> <p>There were no deputations or petitions.</p> <p>NOTED</p>	
CNCL04.	<p>TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE</p> <p>Following an introduction of the report by the Chief Executive</p> <p>The Chief Whip MOVED and it was:</p> <p>RESOLVED</p>	

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	<ul style="list-style-type: none"> i. That the changes to Political Group composition as detailed in paragraph 4.1 of the report be noted; ii. That the resultant changes to Council body membership, and outside bodies membership as detailed in paragraph 4.6 and appendices 1 & 2 of the report be agreed; iii. That the notified change to Group Political appointments within the Liberal Democrat Group by Councillor Whyte stepping down as Chief Whip with immediate effect, and being replaced by Councillor Beacham, be noted; and iv. That Appendix 1 (page 10) of the circulated report be amended for Councillor Weber – showing next to her name 'Ind' and not 'Ind L/D' as shown. 	
<p>CNCL05.</p>	<p>FINAL APPROVAL OF HARINGEY COUNCIL TAX REDUCTION SCHEME</p> <p>The Mayor advised that an addendum to the report contained in the summons was circulated to Members on 16 January 2013 by email and also delivered late afternoon & evening.</p> <p>The Mayor advised that in respect of the process to be followed the Director of Corporate Resources would introduce both reports, and respond to any points of clarification. The Mayor also advised that the Head of Revenues, Benefits and Customer Services and other officers were also in attendance to assist in any points of clarification or questions. The Mayor further advised that the Cabinet member for Finance and Carbon Reduction - Cllr Goldberg would speak, followed by an open discussion on this item.</p> <p>The Mayor advised that at the conclusion of the discussion the Cabinet member for Finance and Carbon Reduction would give a concluding comment.</p> <p>The Mayor then advised that at the conclusion of this he would then formally move the recommendations contained in the report before the meeting.</p> <p>The Director of Corporate Resources gave an introduction to the two reports circulated regarding the final approval of the Haringey Council Tax reduction scheme, the first report being in the main pack and the supplementary report that had been dispatched subsequently.</p> <p>By way of background to the reports, the Director advised that Council tax benefit was being abolished and local authorities were being required to develop their own schemes by 31 January 2013, for 2013/14. The government was transferring the support to councils in 2013/14, with a reduction in funding of 10% and a requirement that the council's own scheme must maintain the support to pensioners. Cabinet had considered various options for the scheme at its meeting on 10th July 2012 and agreed to consult on 4 proposals, as set out in paragraph 4.4 of the main report as follows:</p>	

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- To reduce payments to all working age claimants by an equal proportion in line with the reduction in government funding – estimated to be 20%.
- Reduce savings and investment allowed to £10,000
- Remove entitlement if less than £1
- Amend the maximum backdating period.

The consultation responses were included in the report pack, and indicated a desire that some groups should be protected – in particular pensioners and the disabled. In response, the scheme being recommended to the Council recommended protecting claimants in receipt of particular benefits that recognise significant disability, as listed in the report at paragraph 6.6.6.

The Director advised that in October, the government had announced a transitional grant scheme of funding for one year, if the council implemented a scheme which limited the benefit reduction passed onto claimants to 8.5%. This was covered in the report at paragraph 4.5. The main report also covered recommended technical changes to the exemptions and discounts for council tax.

The supplementary report included a letter from Irwin Mitchell Solicitors (received on Friday 11th Jan) warning of a potential judicial review to the council tax reduction scheme, and a copy of the council's response. The points made in the letters were covered in the supplementary covering report, and the Director emphasised the importance of members considering both letters and the material in the supplementary report, in making their decision.

Both reports together set out the choices available to the Council in terms of determining a scheme. In determining the scheme - the Council should have due regard to:

- Feedback from consultation
- Impact on the individuals concerned
- The equality impact assessments and mitigation
- The financial consequences of the scheme on the council
- Give due consideration to other options for the scheme including those eligible for transitional grant.

Paragraph 10.1 of the supplementary report set out the cost burdens on the Council of the different options, allowing for the protection of pensioners and qualifying disabled as follows:

- If council were to absorb - £3.846m (which after grant would reduce to £3.14m)
- Passing on 8.5% and receiving transitional grant - £1.489m
- Passing on 19.8% - (the recommendation) – nil cost

The Director concluded her introduction to the reports by advising that

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the report recommended a scheme that reduced council tax support to working age claimants (excluding those in receipt of certain disability related benefits) by 19.8% overall, and also recommended technical changes to exemptions and discounts.

In response to a call from the Mayor for any questions of clarification in respect of the reports presented, no questions of clarification were asked of the Director of Corporate Resources.

The Cabinet Member for Sustainability and Carbon Reduction, Cllr Goldberg, gave an opening address, criticising the Government's policy as having a disproportionate impact on the poorest and most vulnerable in society. The proposals as set out in the report were intended to address the £3.8m shortfall, which was likely to increase in future; Haringey had the highest number of households in receipt of Council Tax Benefit in London and figures from the DCLG indicated that around 48% of those entitled to Council Tax Benefit did not currently claim. Cllr Goldberg outlined the options considered, and felt that sharing the burden equally across recipients was the fairest approach. With regard to the transition grant, it was reported that this had only been announced at a late stage and would be for one year only. The amount available would only cover one-fifth of the shortfall and would still leave the Council with a £1.5m funding gap. The proposal as set out in the reports was felt to be the most just approach.

Cllr Strang felt that, although there was a need to address the level of public spending, the national policy placed budget cuts disproportionately on the poor. Concern was expressed, however, that initial communication of the changes had been alarmist. Moreover, the Medium Term Financial Plan had already set funding aside to cover the reduction in Council Tax Benefit grant. This recommendation, however, passed the cuts directly onto the poorest residents, while rejecting the money on offer from the Government.

Cllr Christophides stated that the combined changes to the benefits system would result in a significant reduction in household income to families, and thousands of the lowest-paid families would have to pay more. In the current climate, there was a need to support and promote the credit union. With regard to getting more people into work, this was against a background of 20 applicants for every job, and the unsuccessful work programme. It was unsustainable for the Council to meet the cost of the shortfall, and the grant offered would not meet the funding gap.

Cllr Wilson addressed the Council and stated that Liberal Democrats opposed the decision to reject the grant offered by the Government and would vote against the recommendation. An opportunity had been available to mitigate the impact on residents, but this had been refused. He stated that 13 other labour councils had rejected the grant. The Liberal Democrat group believed that the Council should have found the £1.5m required to unlock the transition funding. Since 2010, £40m had

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been spent on consultants and agency staff. In February 2012 a decision had been taken to set aside £4m to meet this cost, but this plan now appeared to have changed. The Council needed to prioritise, and this was a decision which would have a negative impact on local residents.

Cllr Kober said that 13 labour councils had not come together in an electoral conspiracy and advised that the transition funding would lead to a greater shortfall, and that it was not a political decision to reject the funding offered by Government. It was incorrect to say that £4m had been set aside in the budget to cover the cost of the reduction in grant; the Cabinet report had referred to £4m budget pressure, not funding that was set aside. It was also necessary to take into account that this was not an isolated welfare cut, but was one of a number of cuts which would mean that benefit claimants bore the brunt of public spending cuts, including a reduction in housing benefit as part of the pilot scheme for Universal Credit in Haringey. The Liberal Democrats were not offering alternative solutions. It was necessary to take decisions in the interest of the wider financial health of the Council.

Cllr Reece called on all Members to vote against this decision, and to protect the vulnerable rather than doubling the level of cut they faced. The Council was advised that they had a choice to take the assistance offered, and should not take political decisions at the expense of local residents. The Council could instead make cuts in areas such as communications, IT and legal fees. The Council had a choice, and was here being asked to make the wrong one.

Cllr Peacock advised that the impact of Government policy would increase the burden on the poorest at the worst possible time, when families had to make a choice between food and heating. While it was good that pensioners and disabled people were being protected, this would lead to a greater cut for other low-paid families. The transitional funding offered was not enough and would just lead to a steeper cut the following year. In April the true impact of the cuts on local residents would be seen.

Cllr Davies stated that he was opposed to the Government's decision, which was being called devolution, but was really budget cutting. He was pleased at the proposed exemption for disabled people, but asked for clarification as to whether the ESA would be included in the list of benefits which would qualify someone for an exemption. Cllr Davies stated that he would prefer to raise Council Tax, but Government constraints made this impractical. In the absence of a feasible alternative, he would support the recommendation, but with regret.

Cllr Bull reported that it was becoming harder to stand up for those who could not stand up for themselves. People were tired of hearing that the previous Government was to blame for the current situation, when it was as a result of the banking industry. He was fed up of people being portrayed as 'skivers', and the poorest in society being attacked. The privatisation of gas and electricity meant that people were finding it

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harder to heat their homes and were having to make difficult choices.

Cllr Schmitz stated that both parties should recognise they both sometimes had to do things they did not wish to do. They could debate whose fault the current situation was, but if the deficit were not tackled, this would lead to increased interest rates which would have an impact on everybody. The decision not to take the grant would result in chasing people for money that may not be recoverable. The Council had not defended its proposed course of action.

Cllr Brabazon spoke against the demonization of the poor and vulnerable, when many were living in poverty in the sixth richest country in the world. The Council was trying to mitigate the Government cuts against a background of forthcoming bankers bonuses, which the Government had failed to regulate at the same time as they were capping the resources needed for basic essentials for some people.

Cllr Butcher stated that he agreed with Labour regarding the impact on the poorest, but regretted that they were not stopping it when they had the opportunity to take the transition grant. While people needed to be made aware of the changes, he did not understand why so much had been spend on publicity; this money could have been spent on limiting the cuts to residents. As arrears were already increasing, the Council could avoid the trouble of trying to recover the extra money from residents and find the savings now.

Cllr Meehan stated that if the Government agreed that people were entitled to a benefit, then they should be meeting the cost, and it was understandable that people may be angry about this situation, however those speaking opposite him did not seem to be coming over as very angry. It was not possible to compare different Councils without a full picture of their circumstances. The global financial crisis could not all be blamed on the previous Government, but was the responsibility of the banking industry. The national debt had increased since the current Government came to power. The rules had been changed so that the Council could not increase Council Tax to meet such shortfalls.

Cllr Stanton spoke to say that, as a ward councillor, he was seeing people in dire circumstances and they knew that things were going to get worse. There were cuts that could be made elsewhere, but these needed to be put forward with costings. All Members should be joining together to oppose what was happening, when at the moment they weren't responding to the situation.

Cllr Jenks recalled an earlier debate around drop-in centres, when the Council argued that it did not have the funding, but subsequently found funding for other things. He mentioned the one borough one future fund, the extra audit costs linked to final accounts and the payment to the ex-Chief Executive. Council Tax debt was a particularly difficult debt and could lead to prison; this was not a pressure that should be imposed on the vulnerable. Realistically, the collection rate, currently 95%, was likely

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to reduce as a result of this - others had estimated non-collection rates of 20-50%. The people affected here were vulnerable; the Council should be protecting them, not putting them under pressure.

Cllr Egan emphasised that replacing the Council Tax benefit was a single element in a range of policies affecting the poor and low-paid working families. It was noted that struggling families would suffer from the break between benefit rises and inflation, which would effectively mean a cut. Children and families in Haringey would be disproportionately affected. Families would be pushed into poverty and this would lead to a lost generation. The Liberal Democrats were asked to lobby their minister regarding these issues.

In clarification of the point raised by Cllr Davies, the Director of Corporate Resources confirmed that ESA was not one of the benefits which would entitle someone to exemption.

Cllr Goldberg summed up and advised that he was disappointed in the misrepresentation of the facts. The Medium Term Financial Plan had stated that the Council would need to find a further £4m to meet the cuts, and the proposals from the Liberal Democrats represented spending the same money several times over. The agency staff previously referred to were delivering essential front line services such as social work. Cllr Goldberg asked why the Government was giving tax breaks to millionaires and increasing the burden on the poorest. An unprecedented 7 years of austerity had been announced. Cllr Goldberg stated that he would vote for the recommendation, as he did not feel the Council had any other reasonable choice.

The Mayor then MOVED the recommendations as contained in the report.

On a vote there being 32 for and 22 against (on a re-count found to be 32 for and 21 against) it was:

RESOLVED

- i. That having taken into account the outcome of the consultation as detailed in Appendix A and the attached Equalities Impact Assessment at Appendix B of the report, the Council Tax Reduction Scheme as set out at Appendix E of the report be agreed and adopted;
- ii. That accordingly, the principles of the Council Tax Reduction Scheme, as summarised in Section 6 of the report, be adopted in respect of all working age claimants, having an overall reduction of Council Tax support of 19.8%;
- iii. The Scheme remain in perpetuity with parameters updated as per the Scheme rules, unless a decision were to be taken by Council to replace or alter the Scheme at annual review;

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	<p>iv. That further to the agreement at Cabinet on 10th July 2012, the following adjustments to Council Technical changes be agreed:-</p> <ul style="list-style-type: none">a) Reduction of discount on Class D empty properties undergoing major repair (previously known as Exemption Class A) to 50% for one year and 0% discount thereafter. This was previously agreed at a flat 0% discount;b) Payment of an Empty Homes Premium on properties that have been empty and unfurnished for more than two years of 50%. Unoccupied annexes and properties belonging to a member of the armed forces currently absent as a result of this are excluded from this premium;c) One-off 100% discount for the first calendar month for Class C properties (Empty properties) and 0% discount thereafter. Occupation periods of less than six weeks will be disregarded in administering this discount; <p>v. That authority be given to the Director of Corporate Resources and Head of Revenues, Benefits & Customer Services to take all appropriate steps to implement and administer the Scheme; and.</p> <p>vi. That authority to be given to the Head of Legal Services to make all necessary amendments to the Constitution to reflect the Council's new functions in relation to council tax reduction schemes.</p>	
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The meeting ended at 20.40hrs.

COUNCILLOR DAVID BROWNE

Mayor