

## Council tax reduction in North Tyneside

### Raising revenue to provide support for housing costs

In leading the Mayor's Task Group, we've demonstrated North Tyneside Council's and our partners' clear commitment to putting residents first. Our main priority and focus has to be supporting them.

By working with partners such as the community or voluntary sector and sharing best practice and knowledge, we are able to offer a range of support and advice to our residents.

Norma Redfearn, Elected Mayor of North Tyneside

#### Key facts about the [scheme](#)

- Seven per cent minimum charge for all households
- £1 a week (£50 a year) for a single person and £1.33 a week (£75 a year) for couples in a Band A property.
- Removal of the second adult rebate and increase in non-dependent deductions
- Kept the same income disregards and tapers as council tax benefit to protect work and savings incentives
- Reduced council tax exemptions for empty homes. Part of the additional income generated by these changes, £0.5m, was used to top up the discretionary housing payments fund.

They achieved:

- 90 per cent collection rate from residents that were paying council tax for the first time, with new minimum liabilities. This compares favourably with the majority of councils nationally.
- No complaints or appeals
- Positive feedback from local voluntary sector organisations as to the supportive approach they have taken with residents.

#### Why North Tyneside's approach stood out

The design and implementation of North Tyneside Council's council tax support scheme was directed by the elected Mayor's 'residents first' approach. The Mayor chaired a welfare reform task group made up of senior leaders within the council and voluntary sector. This ensured that decisions were based on insights and expertise from across the community any changes could be looked at together. They kept their minimum payment relatively low and used the extra revenue gained from reductions to

## **Making welfare work locally**

council tax discounts for empty homes to substantially supplement their discretionary housing payments. This enabled them to focus help to residents affected by both council tax support changes and housing benefit cuts. Part of this involved putting additional money advice into place for residents who got into financial difficulties and reducing court fees to £10 for those who didn't pay but were liable for council tax for the first time.

## **Project strengths**

### **Planning with senior leaders from across the council and voluntary sector**

Under the leadership of the Mayor, the welfare reform task group was set up to plan, scrutinise and oversee the councils' response to welfare reform. It was also informed by a council project group and voluntary sector stakeholder group. The strength of the relationships developed has set firm foundations for working together to design and deliver advice and support under the universal credit Local Support Services Framework.

The Mayor-led monthly task group is made up of active leaders across North Tyneside Council, and the voluntary sector. It functions like an advisory and scrutiny group, with members providing early comment on policy proposals, plans for preparing residents and resident communications; and monitoring and reviewing progress.

From the outset of designing the local council tax support scheme we recognised that as well as consulting with our residents, we also needed to work closely with our community and voluntary sector partners. They were able to offer a unique perspective on the residents we jointly support and provided alternative solutions to helping our residents. Their contribution was valued greatly and contributed to influencing policy decisions that were made. This process has continued in influencing discretionary housing payments and how we support residents avoiding or responding to a benefit sanction.

Andy Scott, Senior Client Manager Revenues, Benefits and Customer Services

The Mayor's Task Group has enabled a wide range of partner agencies to work together for the benefit of residents in North Tyneside.

The council especially have been quite outstanding in their efforts to ensure that they take into account the entire needs of a person's circumstances when implementing changes. There are then measures put in place to support people and to enable them to manage their situation.

Some of the drive has come from voluntary sector partners but we have been pushing at an open door. I know that issues that we have raised concerning disabled people will get looked at and acted on. We are very pleased with the commitment and understanding shown in these difficult times.

Ian McKee, Chair, North Tyneside Coalition of Disabled People

## **Making welfare work locally**

Another welfare reform project group was set up with a core group of council officers and other internal and external members who joined for specific issues. When appropriate, sub-groups were set up to look at specific issues as they arose. For example, the welfare project group found that the high demand for local welfare assistance stemmed from the large numbers of people receiving benefit sanctions. They recognised that such a high volume was having an impact on residents' abilities to manage their finances and set up a sub-group to look at reducing them. They worked with the DWP and with community and voluntary sector groups to produce information for residents. This included a YouTube [film](#) and a leaflet that was distributed by local foodbanks along with food parcels. This leaflet advised residents on how to avoid sanctions by meeting their job search requirements and where to seek advice and support when needed.

Residents who had a benefit sanction were able to get support at a community centre, and the council worked with Jobcentre Plus (JCP) to make sure that community support workers could get in touch with the right person at JCP to talk through the residents' sanctions.

They also have a community and voluntary sector welfare reform group for two-way provision of information and for consultation. Three representatives from this group sit on the mayor's task group: Age UK, North Tyneside CAB and North Tyneside Council for Disabled People.

Each group had a different purpose but they are closely linked together which has enabled:

- Sharing of information. Housing and council tax teams shared information on arrears to ensure that their repayment plans didn't conflict and that they had a common message on budgeting support referrals. Each member provided monthly updates on the impacts of all welfare reforms.
- Contributions from the voluntary sector improved the quality of communications and access to data. This gave the council a greater understanding of how the changes were affecting residents.

## **Ensuring clear communication with communities most impacted**

The council mapped which communities were most likely to be affected and focussed consultation and communication in their community centres. They also provided information to their local health professionals, who already had contact with affected groups.

They also consulted with partner organisations, council tax benefit claimants and the wider public to get their direct input on options for protecting different groups. For example, parents with young children and disabled people. From this, they believed that they received a clear mandate to ensure a level of fairness for everyone that didn't require special protection for any particular group.

## **Making welfare work locally**

### **Detailed assessment and consultation on the merits of a number of options**

The council costed and assessed the merits of various scheme options, which range from absorbing the full cost of the 10 percent funding cut and protecting everyone, to charging all residents a minimum of 20 per cent. There were also options that focused on providing more protection for families with children under five and disabled people.

After evaluating the scheme options, the council decided to reduce council tax discounts awarded to empty properties as it had the least impact on lower income households and would secure £0.5m additional revenue. This would have allowed the council to maintain full support for previous council tax benefit recipients but following their public consultation, they felt that they had a mandate to charge small minimum payments. As a result, it was decided that the money raised would be better used to help the 3,000 people who were affected by both council tax support changes and the under occupation penalty. They therefore used the additional revenue to increase the discretionary housing payments budget. It was the council's priority to ensure that residents were able to maintain their council tax payments and meet their rental liability.

### **A supportive approach to people struggling to pay**

Although payment by direct debit was cheaper for the council, their first priority was to get people paying. They offered a choice of payment methods to make it as easy as possible for residents. In addition to direct debit they provided Paypoint cards and an automated payment line where people could pay by debit or credit card 24 hours a day.

When social tenants fell into arrears they were referred to the financial capability team at North Tyneside Homes. All other residents were referred to debt advice, which was provided by two newly funded CAB workers placed in community settings. They are regularly reviewing new avenues of support and working with their community centre staff to provide sessions such as 'how to cook on a budget'.

For residents who were in arrears and were not paying, they pursued court action to secure deductions from their benefits. To limit costs they negotiated with their magistrates courts and secured a reduction in the court fees from £80 to £10. This action to mitigate the impact of charging minimum payments is highlighted as good but not common practice by CPAG's report on the impact of the abolition of council tax benefit.<sup>1</sup>

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<sup>1</sup> [http://www.cpag.org.uk/sites/default/files/A%20new%20poll%20tax\\_0.pdf](http://www.cpag.org.uk/sites/default/files/A%20new%20poll%20tax_0.pdf)