

STRATEGY AND RESOURCES COMMITTEE

18 JUNE 2020

5

Report Title	COUNCIL TAX HARDSHIP SCHEME – COVID-19			
Purpose of Report	To adopt a Council Tax Hardship Scheme for 2020/21 and update the existing Section 13a Hardship Policy.			
Decision(s)	<p>The Committee RESOLVES:</p> <p>a. To approve the changes to the Section 13a hardship Policy to allow for immediate implementation of the Government Covid-19 funding.</p> <p>b. That a report is taken to the next available meeting of Council to formally adopt the amended Section 13a Hardship Policy.</p>			
Consultation and Feedback	Group Leaders of all four parties have been consulted together with the Section 151 officer along with representatives from other Gloucestershire authorities.			
Report Author	Simon Killen – Revenue and Benefits Manager Email: simon.killen@stroud.gov.uk			
Options	The Council could choose not to adopt the scheme.			
Background Papers	COVID-19 hardship fund 2020-21 – Local Authority Guidance			
Appendices	Appendix A – Council Tax Hardship Scheme Covid-19 Appendix B – Council Tax – Section 13a Policy			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. INTRODUCTION / BACKGROUND

- 1.1** Section 13A(1)(c) of the Local Government Finance Act 1992, as amended by Section 10 of the Local Government Finance Act 2012, gives the council additional discretionary powers to reduce the amount of Council Tax payable for individuals, or for classes of council taxpayer.
- 1.2** The policy sets out the Council's approach to the awarding of discretionary reductions to individuals in respect of a council tax liability. The policy allows the Council to reduce the Council Tax payable on the grounds of hardship or where there are exceptional circumstances.
- 1.3** The Government recognises that COVID-19 is likely to cause fluctuations in household incomes and recognises that, as a result, some individuals may struggle to meet council tax payments.

- 1.4 Expectations are that Council's will provide all recipients of working age local council tax support during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal local council tax support scheme design.
- 1.5 The allocation of funding for Stroud District Council for the financial year 2020-21 is £628,575.
- 1.6 The funding level is finite and therefore the Council, although keen to ensure that awards are given to the maximum number of residents, is conscious that its expenditure cannot exceed that amount.
- 1.7 The money will be paid out to Council's through a grant under Section 31 of the Local Government Act 2003.

2. MAIN POINTS

- 2.1 The Council Tax Hardship Fund is where those claiming local council tax support would be eligible for an additional discount of up to £150 on their council tax bill. This is for working age claimants only.
- 2.2 We have been able to apply discounts to 1,339 council tax accounts. This has already seen a total of £170,681 in support to residents.
- 2.3 We will continue to award discounts to those falling into difficulties and find themselves claiming support for the first time. These awards will be made automatically without the need for application.
- 2.4 The demand during this financial year is uncertain as we continue to see a high increase in new claims.
- 2.5 Having allocated grant to reduce the council tax bill of working age LCTS recipients by a further £150, we can establish our own local approach to using any remaining grant to assist those in need.
- 2.6 In doing so, we aim to use the remaining grant allocation as part of wider local support mechanisms. This includes council tax relief using our adapted existing discretionary discount/hardship policies in order to capture those most likely to be affected by COVID-19.

3. CONCLUSION

- 3.1 The Section 13a policy has been revised and updated to replace the previous outdated policy. The inclusion of a Hardship scheme relating to Covid-19 allows for significant support to residents in the district who find themselves in hardship.
- 3.2 The scheme should be reviewed during 2020/21.

4. IMPLICATIONS

4.1 Financial Implications

The Council has received a grant from Central Government of £628,575 to fund hardship awards. Any awards made by the Council in respect of Covid-19 related hardship will be funded by that grant.

Andrew Cummings, Strategic Director of Resources
Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

4.2 Legal Implications

The Government document entitled '**COVID-19 hardship fund 2020-21 – Local Authority Guidance**' provides guidance to authorities about the operation and delivery of this additional relief. The expectation is that the majority of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes and will be funded by the Government as set out in the report.

The Government expects that billing authorities will primarily use their grant allocation to reduce the council tax liability of individuals in their area, using their discretionary powers under s13A (1) (c) of the Local Government Finance Act 1992 which is set out in the appendices.

The expectation of the Government is that this additional support is added to the existing scheme and that the Council should expedite provision of support to individuals in the area, using existing policies and schemes to deliver assistance where practical.

Furthermore, the Guidance is clear that, where council clearance processes are considered necessary, to avoid delays, they should be kept as light touch as possible within the governance arrangements of each authority. As such, given that this is effectively an allocation of Government grant and that the provision should be applied as soon as possible, it is appropriate in the circumstances for the Strategy & Resources Committee to approve the amendment proposed but this should be reported to the next meeting of full Council.

Patrick Arran, Interim Head of Legal Services & Monitoring Officer
Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk

4.3 Equality Implications

The council is committed to equality and the fair application of the policy, ensuring that people receive fair outcomes in the standard of service they receive from the Council and equality access to Council services, regardless of their race, gender, age, religion or belief, sexual orientation, marital or civil partnership status and/or disability in line with the principles set out in the Equalities Act 2010.

4.4 Environmental Implications

There are no significant implications within this category.