

Report to Cabinet and Council

28th January 2021

By the Cabinet Member for Finance and Assets

DECISION REQUIRED REPORT



Not Exempt

2021-22 Council Tax Reduction (CTR) Scheme & 2020-21 Discretionary Council Tax Reduction Scheme

Executive Summary

This report provides Cabinet with an overview of Horsham's current CTR scheme, along with a recommendation that no changes are made to the scheme for 2021/22.

The report also makes the recommendation on how to distribute the remaining discretionary funds from the Government's 'Council Tax Covid-19 Hardship Fund'.

Cabinet is being asked to agree for sign-off of these proposals at full Council.

Recommendations

That the Cabinet is recommended:

- i) To agree for the inclusion of a 'no-change' CTR scheme to be approved at full Council.
- ii) To adopt the proposal for the dispersal of the remaining discretionary funds outlined in paragraph 3.6

Reasons for Recommendations

- i) CTR schemes are annual schemes and therefore require an annual review and approval, even when no changes to the scheme are being proposed.
- ii) Approval of the allocation of the discretionary funding is needed to ensure all remaining money is distributed.

Background Papers: There are no accompanying background papers

Wards affected: All wards

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Background Information

1 Introduction and Background

- 1.1 Horsham District Council is operating a Council Tax Reduction (CTR) Scheme, which provides financial support for people on low incomes to help them afford their Council Tax payments.
- 1.2 The scheme should be reviewed and authorised annually by both Cabinet and Council, even when no changes are proposed to the scheme.
- 1.3 The Government allocated Horsham District Council £602,000 to support working age customers in receipt of Council Tax Reduction (CTR) who have been financially impacted by Covid-19 during 2020/21.
- 1.4 Most of this fund has been spent in one-off payments of £150 for all existing and new CTR customers in 2020/21. A projected underspend of approximately £220,000 is anticipated and Cabinet need to approve an approach for allocating the remaining fund.

2 Relevant Council policy

- 2.1 Having a generous CTR scheme enables the Council to meet its Corporate Plan aim of a strong, safe and health community.
- 2.2 The allocation of the discretionary funding forms part of a nationwide set of measures introduced by the Government to support financially vulnerable customers impacted by Covid-19 with their Council Tax. Horsham District Council has a duty to administer these funds responsibly to those most in need of them.

3 Details

- 3.1 Horsham's CTR scheme currently provides financial support for those on low incomes and provides a means-tested discount to reduce their Council Tax payments.
- 3.2 The scheme ensures that the following protected groups are subject only to the means-test calculation when their CTR discount is awarded:
 - Pensioner household
 - Lone parents with a child under 5
 - Households where the means-test attracts an additional premium in their applicable amount due to disability or caring responsibilities
 - Households where the customer is in receipt of War Widows Pension
- 3.3 Any customer who does not fall into one of the protected groups will not be entitled to a discount if their capital exceeds £10,000 and will also have their discount:
 - reduced by 10%
 - restricted to a Band D equivalent liability amount.

- 3.4 With the COVID-19 recession affecting so many of our residents now is an inappropriate time to worsen the financial situation of our poorest working-age residents, and therefore the recommendation of this report is that the above scheme remains unchanged.
- 3.5 Horsham District Council is currently administering the Council Tax Covid-19 Hardship Fund for 2020/21. The scheme adopted for distribution was that indicated by the Government as a suitable use of the money, at £150 a household. However, by Christmas it became clear new claimants would not use up all the money retained for this purpose and the fund has a projected underspend of £220,000.
- 3.6 The recommendation of this report is for any remaining underspend to be apportioned between existing CTR scheme customers who have an outstanding Council Tax balance for 2020/21. By providing further financial assistance to customers in this base the Council can be assured that they are providing this support to those that have had a financial means-test. This support will ensure that these customers carry over either no or reduced Council Tax arrears into 2021/22, which will help to mitigate their ongoing financial pressures.

4 Next Steps

- 4.1 This proposal report is submitted to Council for approval.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Finance & Assets PDAG were consulted on the proposals on Monday 18th January 2021.
- 5.2 The Chief Finance Officer and Monitoring Officer have reviewed these proposals.
- 5.3 There is no need for public consultation on the Council Tax Reduction Scheme this year because the proposal is for the scheme to remain unchanged.

6 Other Courses of Action Considered but Rejected

- 6.1 Horsham District Council has the authority to reduce the amount of financial support awarded through this scheme. Many councils have a less generous scheme than Horsham District Council. However, this course of action was rejected because of the need to continue to support the financially vulnerable, especially during the current recession.
- 6.2 Other options were considered for the allocation of the discretionary grant, however, these were discounted as the chosen approach would support a much larger number of people.

7 Resource Consequences

- 7.1 There will be no resource consequence for Horsham District Council if it decides to continue to adopt its current CTR scheme.

- 7.2 The proposal for the allocation of the CTR discretionary grant fund is automated and costs will be met through the New Burdens Funding the Government gave us to operate this and business grants.

8 Legal Considerations and Implications

- 8.1 The legal authority for CTR schemes comes from the Local Government Finance Act 2012 and The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012
- 8.2 The legal authority for the Ministry of Housing, Communities and Local Government scheme guidance, which can be found [here](#).

9 Risk Assessment

- 9.1 There are no risk assessment implications stemming from a decision not to change the CTR scheme.
- 9.2 There is a potential for a rise in complaints, from customers who are not eligible for the discretionary CTR grant scheme but feel they should have been. This risk has been added to the Revenues and Benefits Service's risk register for monitoring and control.

10 Procurement implications

- 10.1 There are no procurement implications stemming from either recommendation

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 With no changes proposed to the current CTR scheme no further considerations are required.
- 11.2 As the discretionary grant fund will have a positive impact on working age people most affected by Covid-19, and no detrimental impact on any group, a full Equalities Impact Assessment is not needed.

12 Environmental Implications

- 12.1 There are no environmental implications stemming from either recommendation

13 Other Considerations

- 13.1 There are no GDPR, Data Protection or Crime and Disorder consequences foreseen from these recommendations.

