

## **HAVANT BOROUGH COUNCIL**

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### **Decision by Lulu Bowerman**

### **Cabinet Lead for: People and Communications**

### **Havant Borough Council – Council Tax Hardship Fund (COVID-19)**

### **Report by:**

**Brian Wood, Head of Customer Services**

### **Key Decision: Yes**

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#### **1.0 Purpose of Report**

To agree the Council Tax Hardship Fund (COVID-19) Scheme

#### **2.0 Decision**

As part of its response to COVID-19 Central Government have provided funds to the Council of £1,099,899 under Section S31 of the Local Government Act 2003 with the proviso that all monies are paid in accordance with Section 13A (1) ( c ) of the Local Government Finance Act 1992 and in line with the guidance issued on 24<sup>th</sup> March 2020.

The funds named by Central Government as the ‘Council Tax Hardship Fund’ are designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Support (CTS) under S13A (1) (a) of the Local government Finance Act 1992. The funds are primarily designed to assist working age applicants with payment of their Council Tax.

#### **2.1 Legislation - Minimum reduction in council tax liability for working age local council tax support claimants**

- I. The Government’s strong expectation is that billing authorities will provide all recipients of working age local council tax support (‘LCTS’) 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 LCTS scheme design.
- II. Where a taxpayer’s liability for 2020-21 is, following the application of council tax support, less than £150, then their liability would be reduced to nil.
- III. Where a taxpayer’s liability for 2020-21 is nil, no reduction to the council tax bill will be available.

- IV. There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.
- V. Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be considered in assessing eligibility for this reduction.
- VI. The Government is keen to ensure that support is provided as quickly as possible to individuals who are eligible. It therefore considers that there is a strong case for councils to provide the support up front to enable the maximum benefit to be delivered promptly. However, the Government recognises that in some cases, authorities may consider that the most effective assistance could be profiled across the year.

### **3.0 Recommendation that the Council adopts the following approach in respect of Covid-19 Council Tax Hardship Scheme**

- 3.1 It is recommended that the Council follows the Central Government guidelines to support all Council Taxpayers, where possible as detailed at point 1) (I) to 1 (VI) above by taking the following actions.
  - I. An amount up to £150 will be credited to the CTS account of all working age applicants who are in receipt of CTS on 01/04/2020 (please note that where any residual liability of any taxpayer is less than £150, then an amount will be granted to ensure that the liability is reduced to zero). There is no requirement for the taxpayer to apply for this initial award and it shall be automatically applied to their account.
  - II. Where the working age Council Taxpayer is not entitled to CTS on 01/04/2020 but subsequently becomes entitled, in line with the guidance detailed above, an amount of up to £150 shall be paid in the same way as detailed (I) above.
  - III. Where a hardship payment has been made as detailed at point 3 (I) and 3 (II) above. The taxpayer shall be notified of the hardship payment by the issue of a revised Council Tax demand.
  - IV. Carry out a review later in the financial year of hardship payments to see if it is possible to enhance the scheme and increase the amount paid to applicants who are in receipt of CTS on or after 01/04/2020 budget allowing.

## 4.0 Modelling

Council Tax Hardship Payment amount (£)	Number of Council Taxpayers assisted	Total amount of Hardship grant paid as part of bulk update (based at CTS claims as at 25/05/2020)	Balance of grant post bulk update available for the remaining of the financial year 2020-21.	Estimated Hardship spend June 2020 to March 2021	Leaves estimated balance for any variance
A) £150	2,400	£273,874.41	£826,024	£345,750	£480,274.59
B) £200	2,400	£322,488.51	£777,411	£461,000	£316,410.49
C) £250	2,400	£367,597.42	£732,302	£576,250	£156,051.58

Things to consider:

Estimate the number of new claims that will be received through 2020-21 that are not entitled to full CTS – April & May received 461 CTS new claims

On the assumption that we receive 2305 new CTS claims June 20 to March 21 and make an average award of £150 the new awards will cost £345,750 leaving a hardship grant balance £480,274.59 to allow for any future peaks in CTS new claims.

## 5.0 Implications

### 5.1 Resources:

Human Resource implications – none

### 5.2 Legal:

The Council has a statutory duty to decide claims for Council Tax Reductions in accordance with Section 13A of the Local Government Finance Act 1992 and the Councils' agreed CTS schemes, and award reductions to eligible claimants. Entitlement to the above hardship award is subject to entitlement under the CTS scheme.

### 5.3 Delegation

The Head of Customer Services is delegated power to discharge all of the Council's functions relating to the administration in regard to all matters concerning Customer Services, Corporate Support, Electoral Services, Address Management, Local Land Charges, Research and Insight and reliefs, rebates, refunds and enforcement related to Council Tax, Non-Domestic Rating, Housing Benefit, Council Tax Benefit/Support and other debts such powers to:

( r )To decide claims for Council Tax Reductions in accordance with Section 13A of the Local Government Finance Act 1992 and the Councils' agreed Council Tax Support schemes, and award reductions to eligible claimants.

#### 5.4 Risks

An increase in caseload would lead to an increase in the cost of the hardship scheme. However, the modelling as detailed above at point 4.0 shows that on the assumption that the Council receives an additional 2305 entitlements to the hardship scheme through 2020/21 the Council would still have enough funds to cope with further future peaks in caseload.

#### 5.5 Financial Implications

The Ministry of Housing, Communities & Local Government (MHCLG) have provided funds to the Council of £1,099,899.

It is recommended that the Council follows the Central Government guidelines to award a maximum grant payment of £150 and then to carry out a review later in the financial year to see if the payment can be enhanced budget allowing.

#### 6.0 Local Government (Access to Information) Act 1985 – ‘confidential’ or Exempt’ Information Indicator:

6.1 This delegated decision contains neither confidential nor exempt information

#### 7.0 Is this an Urgent Decision?

Yes - the scheme was announced some time ago by the Government – the software has taken longer than expected to be developed. It is important that we make these changes to customers’ accounts as soon as possible.

#### 8.0 Consultation with Portfolio Holder:

Portfolio Holder Informed: Cllr Lulu Bowerman

Date: 10<sup>th</sup> June 2020

**Agreed**.....Lulu Bowerman..... [Councillor Bowerman]

**Date** .....10<sup>th</sup> June 2020.....

(The decision is subject to the usual ‘call-in’ process and, if not called in by the Scrutiny Board, will be effective from 4pm on the fifth day after the date of publication, ie 17 June 2020. If an urgent decision, this date will be the same as the date that this decision record was published)

Appendices:  
None

Background Papers:  
None

Agreed and signed off by:

S151 Officer: Lydia Morrison  
Head of Customer Services: Brian Wood  
Portfolio Holder: Cllr Lulu Bowerman  
Monitoring Officer: David Brown

Date: 10<sup>th</sup> June 2020  
Date: 9<sup>th</sup> June 2020  
Date: 10<sup>th</sup> June 2020  
Date: 11<sup>th</sup> June 2020

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