

Appendix A

Discretionary Policy - Council Tax Hardship Fund - Covid 19

S13A (1) (c) Local Government Act 1992

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1.0 Introduction

- 1.1 The following policy outlines the Council's approach to the recent initiatives by Central Government to assist taxpayers who are suffering financial hardship due to the onset of the Corona virus (Covid-19). This policy is *in addition to* the S13A (1) (c) policy adopted by the Council (Council Tax Discretionary Discount Policy).
- 1.2 Central Government have provided funds to the Council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A (1) (c) of the Local Government Finance Act 1992 and in line their guidance issued on 25th March 2020.
- 1.3 The funds named by Central Government as the 'Council Tax Hardship Fund' is designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR) under S13 A (1) (a) of the Local Government Finance Act 1992. The funds are primary designed to assist working age applicants with payment of their Council Tax.
- 1.4 This is particularly important given that working age applications are required to make a 'minimum payment' of Council Tax as their award is reduced by 20% in all cases except where they fall within an excepted category (as defined by paragraph 57.5 of the Buckinghamshire Council Tax Reduction scheme).
- 1.5 It is essentially down to individual authorities to determine how to use the funds however Central Government through the Ministry of Housing, Communities and Local Government (MHCLG) state that, in order to retain the funding, Councils must look to use monies as directed by them.

2.0 Legislation

- 2.1 The relevant legislation (S13 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012), states the following:

Reductions by billing authority

(1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)–

(a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2));

(b) in the case of a dwelling situated in the area of a billing authority in Wales,

(c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b), such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.

2.2 The provisions stated in (c) above, allows the Council to reduce the Council Tax liability for any taxpayer in addition to any application for Council Tax Reduction under the Council's scheme. This is a general power that has always been available to the Council.

2.3 In relation to the 'Council Tax Hardship Fund', MHCLG have stated that Councils will use the powers given under that act.

3.0 Finance

3.1 Any amounts granted under S13A (1) (c) are normally financed through the Council's general fund and do not form part of the collection fund. Central Government has provided funding directly to the Council to compensate for this and it expects the Council, wherever possible, to use all of the funds provided.

3.2 Any additional assistance, outside of the funding, would fall to be paid by the Council itself

4.0 The Covid-19 Council Tax Hardship Scheme

4.1 The scheme guidance issued by MHCLG states the following:

(a) The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax reduction 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 taxpayers outside of their formal scheme design.

(b) Where a taxpayer's liability for 2020-21 is, following the application of council tax reduction, less than £150, then their liability would be reduced to nil.

(c) Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.

- (d) There should be no need for any recipient of council tax reduction 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.
- (e) Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.
- (f) The Government recognises that existing support mechanisms vary locally, including CTR schemes, discretionary council tax discount/hardship schemes and local welfare schemes.
- (g) Having allocated grant to reduce the council tax bill of working age CTR recipients by a further £150, billing authorities should establish their own local approach to using any remaining grant to assist those in need. Billing authorities will want to revisit their broader approach at intervals during the financial year, in order to ensure expenditure for 2020-21 remains within their allocation.
- (h) In determining any broader approach to delivering support, authorities are best placed to reflect on the financial needs of their most vulnerable residents. In doing so, they may wish to consider using their remaining grant allocation as part of wider local support mechanisms. These may include, but are not restricted to:
 - (i) Council tax relief using existing discretionary discount/hardship policies (adapted where necessary in order to capture those most likely to be affected by COVID-19); and
 - (ii) Additional support outside the council tax system through Local Welfare or similar schemes;
 - (iii) A higher level of council tax reduction for those working age CTR recipients whose annual liability exceeds £150.
- (i) 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.

5.0 The Council's Policy in respect of the Covid-19 Council Tax Hardship Scheme

- 5.1 The Council is keen to support all taxpayers within the County and, as such, will implement the scheme strictly in accordance with Central Government guidelines by taking the following actions:
 - (a) An amount of up to £150 will be credited to the Council Tax account of all working age applicants who are in receipt of Council Tax Reduction on 1st April 2020 (it should be noted 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 will be no

requirement for any taxpayer to apply for this initial award and it shall be automatically applied to their account);

- (b) Where the taxpayer is not entitled to Council Tax Reduction on 1st April 2020 or in such cases where any taxpayer is experiencing hardship due to the Covid-19 crisis, an application (in this instance) may be made to the Council. In these cases, the Council will either contact the taxpayer directly (on receipt of a new claim for CTR) or will accept applications directly from taxpayers.

- 5.2 In line with Central Government guidance, initial funding shall be used for (a) above and any residual monies shall be used in conjunction with the Council's Discretionary Award Payments Policy.

6.0 Delegated Powers

- 6.1 The scheme for the Council Tax Hardship fund has been approved by the Council. However, the Section 151 Officer, together with the Leader of the Council and the Portfolio Holder for Resources are authorised to make technical scheme amendments to ensure it meets the criteria set by Central Government and is in accordance with the Council's Discretionary Award Policy.

7.0 Notification

- 7.1 Taxpayers will be notified of the decision to apply any reduction as soon as possible after it has been made and any award will be by means of a discount being applied to the relevant Council Tax account.

8.0 Review of Decisions

- 8.1 Notwithstanding any reductions applied automatically, where any application is refused, the taxpayer will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one calendar month of the decision letter.
- 8.2 The review will be carried out by an office manager who was not involved in the original decision with, in exceptional circumstances, the Portfolio Holder for Resources. When considering the review, the officer will look to respond within two months and will have regard to any further evidence supplied.

8.3 If the taxpayer is dissatisfied with the outcome of the review, they can, within two months of the Council's reply, appeal to the independent Valuation Tribunal Service to consider their case.