



ADUR & WORTHING COUNCILS

Joint Strategic Committee
30 March 2021
Agenda Item 8

Key Decision: Yes

Ward(s) Affected: All

Council Tax Support Scheme - Additional discretionary discounts

Report by the Director for Digital, Sustainability & Resources

Executive Summary

1. Purpose

- 1.1 The Councils received as part of the local government finance settlement Council Tax Support Grant which was intended to compensate Councils for income lost due to the rise in Council Tax Support (CTS) claimants throughout the pandemic and to give Councils an opportunity to award additional discounts.
- 1.2 This report seeks approval to replicate the additional covid related support given to working age CTS claimants in 2020/21 of an additional council tax discount of up to £150.00 per household.

2. Recommendations

- 2.1 The Joint Strategic Committee is recommended to approve an additional discretionary discount of up to £150.00 per household for working age claimants with the principles detailed in paragraph 4.3.

3. Context

- 3.1 As part of the Government's ongoing support to local residents throughout the pandemic, the Government provided the Councils with Council Tax Hardship Funding in 2020/21 which was intended to give each working age household claiming CTS up to an additional £150.00 discount on their Council Tax bill. Where a taxpayer's liability for 2020-21 was, following the application of the current local council tax support scheme, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 was nil, no reduction to the council tax bill will be available. Any surplus Council Tax Hardship Funds could be used to fund other initiatives aimed at vulnerable residents. It is intended to place any unused funds into reserves at the year end to help fund any additional discounts awarded in 2021/22 and to support discretionary self isolation payments.
- 3.2 The Government announced a new Council Tax Support Grant for 2021/22 as part of Local Government Finance Settlement. The indicative allocations are £111,060 for Adur District Council and £132,980. The County Council will receive approximately £6.6m.
- 3.3 There are no specific requirements connected to the grant regarding the design of local council tax support schemes for 2021/22, which have remained a matter for local discretion. The funding is unringfenced but is provided towards the additional cost of the Council Tax Scheme already incurred in 2020/21, or to be which will be incurred in 2021/22, resulting from an increase in demand for discounts. However in his speech on the local government finance settlement, the Secretary of State was clear that:

‘This helps local authorities to continue reducing council tax bills for those who are finding it hardest to pay.’

So whilst the funding is provided as an unringfenced grant, it has been set aside within the Councils' budgets to fund initiatives to support our most vulnerable residents,

- 3.4 The recent report considered by the Committee titled 'Covid Benefit Measures impact on Vulnerable Residents' highlighted the impact of the pandemic on the residents with the lowest incomes where average Council Tax arrears have increased (Worthing (+16.7%) and Adur (+5.5%)).

4. Issues for consideration

- 4.1 Working with colleagues in the County Council, an opportunity has arisen to replicate the additional discretionary payment of £150.00 given in 2020/21 which will be funded by the Council Tax Support Grant for both Councils. Members are asked to approve a similar scheme for 2021/22.
- 4.2 The additional Council Tax discounts will support vulnerable working age residents helping these households to minimise debt and stay housed. The additional discount will also ensure that the Council is not collecting small sums from households who struggle to fund these bills at this time, avoiding the need to write off small uncollectable debts.
- 4.3 The Government required that for the 2020/21 scheme
- there should be no need for working age residents in receipt of CTS to make a separate claim for a reduction
 - Whether or not a taxpayer has been affected by COVID-19 (directly or indirectly) should not be taken into account in assessing eligibility for a reduction
- and it is recommended that these requirements be replicated for the 2021/22 scheme.

5. Engagement and Communication

- 5.1 Officers from the County Council have been involved in developing these plans.
- 5.2 Executive Members and Officers have been consulted on the feasibility of this initiative.
- 5.3 Officers from the Police and Crime Commissioner were also consulted but these payments fall outside their statutory powers and so they are unable to contribute.

6. Financial Implications

- 6.1 Based on the impact of the additional discount of £150.00 in 2020/21, the cost is expected to be approximately:

	Adur £'000	Worthing £'000
Estimated cost in 2020/21	180	650
Allowance for further growth	10	30
Amount required for 2021/22	190	680
Local Council Tax Support Grant	111	133
Contribution from the County Council	79	547

7. Legal Implications

7.1 Section 13A(1)(c) of the Local Government Finance Act 1992 provides that a billing authority may reduce the amount of council tax that a person is liable to pay to such an extent as the billing authority thinks fit.

7.2 Section 31 of the Local Government Act 2003 provides that a Minister of the Crown may, with the consent of the Treasury, pay a grant to a local authority in England towards expenditure incurred or to be incurred by it.

7.3 The Police Reform and Social Responsibility Act 2011 states that a police and crime commissioner may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of commissioner.

Background Papers

- Report to the Joint Strategic Committee - Covid Benefit Measures impact on Vulnerable Residents 9th February 2021.
- Local Government Finance Settlement papers
<https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government/covid-19-funding-for-local-government-in-2021-to-2022-policy-paper>
- COVID-19 hardship fund 2020-21 - Local Authority Guidance
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/919743/COVID-19_Council_Tax_Hardship_Fund_Guidance.pdf

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Sustainability & Risk Assessment

1. Economic

Matter considered and no issues identified.

2. Social

2.1 Social Value

The proposal is targeted at working age people and families with low income, helping support this group of residents during the pandemic.

2.2 Equality Issues

Whilst the support is targeted at working aged claimants, this is in light of the more generous CTS scheme for older people which has remained protected by the government.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.