



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 have received notification from our County Council that they would like to support an extension of the Council Tax additional discounts of £150.00 per working age claimant in 2022/23
- 1.2 This report seeks approval to replicate the additional covid related support given to working age CTS claimants in 2020/21 and 2021/22 of an additional council tax discount of up to £150.00 per household.

2. Recommendations

- 2.1 Council 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.
- 3.2 The Government announced a new Council Tax Support Grant for 2021/22 as part of Local Government Finance Settlement. The allocations, £111,060 for Adur District Council and £132,980 for Worthing Borough Council. The County Council received approximately £6.6m. This grant was then used to support an extension of the Council Tax discretionary scheme for 2021/22.
- 3.3 The Councils have been approached in early February by the County Council with the offer of significant funding towards replicating this scheme in 2022/23 so that we can collectively continue to support those households in most need.
- 3.4 This initiative will help address the issues currently being identified through the Proactive project

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 and 2021/22. Members are asked to approve a similar scheme for 2022/23.
- 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 current scheme provides for a £150 discount to all working age Council Tax Support claimants. Claimants need not apply for the discount which will be automatically applied. It is recommended that these requirements be replicated for the 2022/23 scheme.

- 4.4 If the Councils wish for the additional discount to be applied as part of the annual billing run, then a decision will need to be made by 22nd February for Worthing Borough Council and 24th February 2022 for Adur District Council.
- 4.5 Whilst the discount can be applied at any time, if the decision is made after these dates, the Council will have to rebill our Council Tax claimants causing additional work, cost and confusion for our residents.

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.

6. Financial Implications

- 6.1 Based on the impact of the additional discount of £150.00 in 2021/22, the cost is expected to be approximately:

2022/23	Adur £'000	Worthing £'000
Estimate for 2022/23	180	660
Contribution from the District / Borough Council	31	92
Contribution from the County Council	149	568

- 6.2 Adur District Council can fund its share of the cost of the proposed scheme from the Covid contingency budget.
- 6.3 Worthing Borough have a Council Tax Hardship scheme which has been recently increased to £199,000. It is proposed to use this budget to support the delivery of the £150.00 discount to all working age claimants.
- 6.4 In parallel, the Council will continue to use the Council Tax Hardship Fund to target those most in need as this can run alongside the blanket discount. The remaining funding (£107k) would be able to support the removal of Council Tax completely from households in crisis (39), at risk (119) and struggling (240) and give us flexibility to support a number of other households who emerge as in difficulty during the year.

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.

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

Officer Contact Details:-

Sarah Gobey

Chief Financial Officer

01903 221221

sarah.gobey@adur-worthing.gov.uk

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.