1.0 Purpose of the Report

1.1 On 26 May 2020, the Chief Executive used her emergency powers to approve payment of hardship payments to Council Tax payers of working age in receipt of local council tax support (LCTS). This was grant funded by central government with a requirement to pay each up to £150.

1.2 The mechanism used to make these payments was section 13A(1)(c) of the Local Government Finance Act 1992 (“1992 Act”). A recommendation of the report was that there would be a further report to Cabinet to expand on the use of section 13A(1)(c) of the 1992 Act and other mechanisms to provide financial relief using the government funding provided to residents affected by the Covid-19 pandemic during 2020/21 from any surplus funds from the grant. This report’s focus is on the section 13A Council Tax element of this requirement. This report is required as, at present, the Council has no formal policy relating to the Council’s exercise of its discretion and use of section 13A.

1.3 This report sets out to:
   i. Provide background information vis-à-vis the Council’s policy regarding the use of and exercise of its discretion under section 13A(1)(c) under the 1992 Act.
ii. Provides details of a new discretionary relief policy under section 13A(1)(c) of the 1992 Act.

2.0 Recommendation(s)

2.1 That Cabinet approves the proposed discretionary reduction Policy pursuant to section 13A(1)(c) of the Local Government Act 1992 as set out in appendix A.

2.2 That Cabinet notes that the proposed Policy pursuant to section 13A(1)(c) of the Local Government Act 1992 links to council support for vulnerable residents alongside other support mechanisms such as Discretionary Housing Payments (DHP) and Local Welfare Assistance (LWA).

2.3 That Cabinet delegates authority to the Strategic Director, Customer and Digital Services in consultation with the Director of Finance in respect of decisions on individual applications for reducing Council Tax payable pursuant to the proposed policy under section 13A(1)(c) of the Local Government Finance Act 1992 as set out in Appendix A.

3.0 Detail

3.1 At the Council budget meeting of 25 February 2013 and the previous Executive meeting of 11 February 2013, decisions on reductions in council tax under section 13A(1)(c) of the 1992 Act were delegated to the then Director of Finance and Corporate Resources. This delegation was restricted to individual cases only and not classes of case.

3.2 The urgent decision of the Chief Executive of 26 May 2020 provided for the class of taxpayer who are of working age and in receipt of Council Tax Support to be provided with a further reduction of up to £150. This was implemented on 31 May 2020. Further reductions will be made during the year as new claims are processed.

3.3 The proposed policy sets the way in which the Council’s discretion to make council tax reductions under section 13A(1)(c) of the 1992 Act will be utilised in 2020/21 and in subsequent years. The policy:
   i. properly makes the distinction between debt write-off of an uncollectable debt due to deceased, bankrupt, vacation of a property where there is typically no ongoing liability and a section 13A(1)(c) council tax reduction where the taxpayer has a continuing liability for the property.
   ii. sets out how individual cases are dealt with on their merits and provides criteria to consider as:
       a) Fire and flood
       b) Domestic violence
       c) Losses due to theft
       d) Safeguarding
       e) The above list is not exhaustive and officers will use their discretion in reviewing applications
   iii. The policy sets out two classes of taxpayer as eligible:
a) Those of working age in receipt of Council Tax Support as per the council decision of 26 May 2020 in accordance with government guidance;
b) In accordance with the “Local Offer” for Care Leavers Brent care leavers aged between 18 and 24 years old who are liable for council tax in the borough, have their liability reduced to zero. Brent care leavers outside the borough are supported through a separate mechanism.

3.4 It is expected that in 2020/21 reductions under this policy will benefit around 2,000 households.

4.0 Financial Implications

4.1 The cost of the hardship scheme is fully funded by the central government grant of £3,948,577. The estimated cost of this scheme during 2020/21 is £1.3m, however this is expected to rise during the year as more residents become eligible for council tax support.

4.2 The cost of supporting care leavers in 2020/21 is estimated at £65,000.

4.3 Ad hoc 13A awards are expected to increase in demand during 2020/21. It is estimated that total awards will not exceed £150,000.

4.4 The total expected cost is £1.515m and will be funded in 2020/21 from the government grant.

5.0 Legal Implications

5.1 The Council Tax Covid-19 hardship fund 2020-2021 Local Authority Guidance (“the Guidance”) sets out the grant provisions for those working age Local Council Tax Support recipients.

5.2 The Guidance stipulates the need to expedite the provision of support to individuals and “where council clearance processes are considered necessary to avoid delays, they should be kept as light touch as possible within the governance arrangements of each authority” (cf. paragraph 8 of the Guidance).

5.3 The underpinning principles in the Guidance is to put in place with expediency the necessary financial support to those people who are struggling to meet their Council Tax payments, especially during the current pandemic period.

5.4 This proposed policy regarding discretionary relief in respect of council tax liability under section 13A(1)(c) of the 1992 Act is separate from the Council’s powers to reduce council tax liability under the Council’s Council Tax Support scheme under section 13A(1)(a) and 13A(2) of the 1992 Act.

5.5 The Council’s power and discretion to make reductions in council tax liability under section 13A(1)(c) of the 1992 Act (i) includes the power to reduce the council tax liability to nil (cf. section 13A(1)(6) of the 1992 Act); and (ii) may be exercised in relation to particular cases or by determining a class of case in
which liability is to be reduced to an extent provided by the determination (section 13A(1)(7) of the 1992 Act).

6.0 Equality Implications

6.1 The public sector equality duty requires public bodies to pay due regard to the need to:-
• eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
• advance equality of opportunity between people who share a protected characteristic and those who do not;
• foster good relations between people who share a protected characteristic and those who do not

6.2 The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

6.3 A new and revised LCTS scheme went live for those of working age on 1 April 2020. The scheme provides financial assistance for Council Tax payers who are financially vulnerable and require assistance to meet their Council Tax liability. LCTS for those of working age is calculated on the claimant’s net CTAX liability after the granting of any other Council Tax discounts (e.g. Single Person Discount). The policy here provides an extra safety net as allowed by the legislation. It is expected to benefit around two thousand households in 2020/21.

7.0 Consultation with Ward Members and Stakeholders

7.1 Citizens Advice Brent have welcomed the introduction of a formal and more detailed policy for the Council to exercise its discretion in making reductions to council tax liability under section 13A(1)(c) of the 1992 Act. Citizens Advice Brent commented on the policy and are happy with the sentiment. There has been no consultation with ward members as the policy follows on from the existing delegation and ensures that the Council has a policy in place to properly deal with those faced with extreme difficulty in paying their Council Tax, especially during the period of this pandemic.

8.0 Human Resources/Property Implications (if appropriate)

8.1 None

Related documents: Urgent Decision of the Chief Executive of 26 May 2020

Report sign off:

STRATEGIC DIRECTOR
Peter Gadsdon