

COUNCIL TAX HARDSHIP RELIEF SUPPORT SCHEME 2021/22

Cabinet - 18 March 2021

Report of: Deputy Chief Executive and Chief Officer - Customer and Resources

Status: For Decision

Also considered by: Council - 20 April 2021

Key Decision: No

Executive Summary: The report sets out a scheme, funded by Kent County Council, to provide additional council tax support for low-income households suffering financial hardship as a consequence of the Covid-19 pandemic

Portfolio Holder: Cllr. Matthew Dickins

Contact Officers: Jim Carrington-West, Ext.7286, Tim Dennington Ext.7207

Recommendation to Cabinet:

That Cabinet agree to recommend to Council the recommendations set out below

Recommendation to Council:

That delegated authority be granted to the Deputy Chief Executive and Chief Officer - Customer and Resources to finalise and implement the necessary requirements to apply the proposed scheme.

Reason for recommendation

The proposed scheme has been developed by Kent County Council taking account of Council Tax Reduction information from district and borough councils with the purpose of providing additional support for low income working age households and those impacted financially through the Covid-19 pandemic. It looks to balance the need for support of households receiving Council Tax Reduction to partly offset the increase in Council Tax with the significant challenge that many households not receiving benefits face through furlough or redundancy.

Introduction and Background

- 1 As a result of the economic impact of Covid-19, the number of working age households that receive a reduction in their council tax through the Council Tax Reduction Scheme has increased. This reflects increased levels of

financial hardship across the country, which includes those who have been impacted by redundancy or furlough.

- 2 The Council is working with Kent County Council to respond to this increased need for support and proposes to implement additional Council Tax Hardship Relief Support.
- 3 Whilst the scheme will be administered by the Council, the cost of the scheme will be met in full by Kent County Council.
- 4 Sevenoaks District Council operates a Council Tax Reduction Scheme (CTRS) which reduces the council tax for low income households, based on their financial circumstances. The Council has an income banded scheme that gives a fixed percentage reduction based on the net household income. The reductions range from 20% to 80% of the total council tax bill
- 5 There has been an increase in the number of working age households that receive CTR since the start of the Covid-19 pandemic. Currently there are 4,011 working age households receiving support
- 6 In addition to those households on the lowest incomes, there are also those households that were just about managing but have experienced financial hardship or are now in financial crisis as a result of the pandemic
- 7 In recognition of the disproportionate impact of the pandemic on their finances, Kent County Council is proposing to fund Council Tax Hardship Relief support scheme to help assist these households and offset part of the increase in council tax in 2021-22
- 8 The broad policy objectives of the hardship scheme are as follows:
 - Support scheme in 2021-22 to increase the amount of financial support for council tax payers
 - To provide help for those households just about managing but not eligible for existing district Council Tax reduction schemes
 - To target those households that have been seriously impacted by the pandemic - including redundancy, furlough, self-employed
 - To implement a consistent approach across the county for the financial year 2021-22
- 9 The proposed Council Tax Hardship Relief support will be in two parts:
 - (1) The 2021-22 council tax bill for all existing CTRS working age households in Sevenoaks District Council will be automatically reduced by £50. New claimants throughout the year will also receive a £50 reduction. If council tax liability is less than £50 then the maximum paid will be up to the liability amount. The vast majority of CTRS working age households will get the full £50.

It would cost £200,550 to provide all working age households in receipt of CTRS with a £50 reduction to their Council Tax bill. It should be noted that the number of households entitled to CTRS changes

throughout the year so the final cost will vary dependent on future demand. The cost will be met in full by KCC along with a contribution towards the cost of administration. Implementing the £50 reduction in Council Tax for all CTRS claimants will therefore be dependent on the availability of funding from KCC.

- (2) Sevenoaks District Council will be given funding by KCC (funding amount is still to be confirmed) to be used to provide Council Tax relief due to financial hardship. This funding will be used to support those who have been seriously impacted by the pandemic and have suffered a loss in income or a change in the financial circumstances, such as furlough, or redundancy, but do not qualify for CTRS as in point 9.1

Sevenoaks District Council existing Section 13A of the Local Government Finance Act 1992 Policy will be reviewed to reflect the increased funding available along with the means by which the Policy is promoted and the resources in place for its administration.

Other options Considered and/or rejected

Do nothing - the Council could decide not to implement the additional Council Tax support set out within the report. This would result in a higher level of council tax payment being sought from low income working age households, risking an increased number of households suffering financial hardship

Key Implications

Financial

Kent County Council will fund the scheme in full, including any administration and potential software costs arising from this and will underwrite caseload increases

Legal Implications and Risk Assessment Statement.

Acting on the recommendations is within the Council's powers as set out at S13A Local Government Finance Act 1992. The Council can use its discretionary power, to reduce the council tax liability payable by individuals in its area, above the discounts already included in the Council Tax Reduction Scheme.

There is no specific risk assessment statement.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users

Conclusions

The proposed changes set within the report have been developed in discussion with Kent County Council and follow the decision made by Kent County Council to help address the impact of the Covid-19 pandemic

Jim Carrington-West

Deputy Chief Executive and Chief Officer - Customer and Resources