

Report to: Leader of the Council

Date: 2 April 2020

Title: Council Tax Reduction Scheme Exceptional Hardship Payments Policy

Report of: Tim Whelan, Director of Service Delivery

Cabinet member: Councillor Zoe Nicholson, Leader of the Council

Ward(s): All

Purpose of report: To seek approval of two changes to the Council Tax Reduction Scheme Exceptional Hardship Policy

Decision type: Key

Officer recommendation(s): (1) To approve the revised Council Tax Reduction Scheme Exceptional Hardship Policy set out at Appendix 1, incorporating the following amendments:

- (i) The Council may accept an application for a Discretionary Housing Payment (DHP) as an application for an Exceptional Hardship Payment (EHP).
- (ii) The Council may use Exceptional Hardship Payments to meet arrears of council tax.
- (iii) The Exceptional Hardship fund and equalities

(2) To grant delegated authority to the Director of Service Delivery to implement the revised Policy.

Reasons for recommendations: (1) Approving amendment (1) above would mean that a resident would only have to complete one application form to potentially get a DHP and an EHP rather than, as is currently the case, having to complete two forms.

(2) Currently, an EHP can only be awarded for council tax due in the financial year that the claim is made. This excludes people who are struggling to meet arrears from previous years.

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1 Introduction

- 1.1 The Council set up an Exceptional Hardship Fund (EHF) in April 2016 to sit alongside the Local Council Tax Reduction Scheme (LCTRS) to assist applicants for a council tax reduction who were facing 'exceptional hardship'.
- 1.2 Take-up of the EHF scheme has not been as high as it could have been and expenditure is below expectation.
- 1.3 Officers undertook a review of the current policy to identify any areas where adjustments could be made to increase take-up and get help to those most in need.
- 1.4 Two areas were identified. Firstly, that residents who need help with both their rent, through a DHP, and council tax, through an EHP, would have to fill in two application forms. Accepting a DHP application as also an application for an EHP would fix this issue. Longer term, the service will design a dual claim form.
- 1.5 Secondly, the current policy allows an EHP to be granted only for the council tax that is due for the year in which the application is made. This means that residents who have arrears for the previous years cannot get an EHP to assist with those arrears.

2 Proposal

- 2.1 It is proposed that two changes are made to the current EHP policy:
 - That an application for a Discretionary Housing Payment can be accepted as an application for an Exceptional Hardship Payment; and
 - That an exceptional hardship payment can be used to meet arrears of council tax.

The proposed policy, incorporating the changes above, is at Appendix 1

3 Outcome expected and performance management

- 3.1 It is expected that more residents will be able to take advantage of the scheme to help them meet their council tax liabilities.
- 3.2 Monthly monitoring will take place on
 - the number of EHP applications made
 - the number successful
 - the number not successful
 - the amount of EHP awarded in each case
 - total expenditure

4 Consultation

4.1 As the scheme is being made more generous and following discussion with the Customer and Communications Lead, it was decided that consultation was not necessary.

4.2 When the EHP scheme was set up in 2016 the preceptors agreed that the scope and operation of the scheme would be left to the districts and boroughs. The only proviso was that the scheme would only be used for the benefit of those people who were affected by the changes made to the Local Council Tax Reduction Scheme in order to reduce expenditure i.e. the introduction of the minimum income floor for the self-employed and the imposition of a maximum award of 80% of the person's council tax liability. The proposed changes do not change the scheme in that respect.

There was also agreement that, if the funds were spent, we could go back to the preceptors with a request for additional funding.

5 Financial appraisal

5.1 There is currently a fixed budget for expenditure on Exceptional Hardship Payments, currently standing at £25,691, and the changes proposed in this report will not alter that. What the proposals will mean is that expenditure is likely to increase and there may come a point where the funds have been spent.

5.2 Full council agreed at their meeting on 24 February 2020 to abolish Tax Class C discount and to use additional funds raised to begin a pilot scheme to support self-employed claimants. These additional funds will be allocated and accessed through the EHP scheme. This will mean £24,000 being added to the EHP budget, making a total of £50,000 available to spend. This allocation of extra funds will also ensure self-employed claimants are fully supported during the pilot period.

5.3 The service will regularly monitor expenditure and should it appear likely that the budget will be extinguished, this will be reported to Finance and the relevant cabinet members.

6 Legal implications

6.1 Although the operation of the Exceptional Hardship Payment (EHP) policy is linked to the Council Tax Reduction Scheme (CTRS), the legal basis for each is different. Whilst CTRS is governed by the Local Government Finance Act 1992 (specifically section 13A and Schedule 1A), the discretion to create, revise and implement an EHP policy stems from the Council's general power of competence under section 1 of the Localism Act 2011.

It is a proper function of Cabinet to approve an amendment to the EHP policy in exercise of the Council's general power of competence.

7 Risk management implications

7.1 The EHP budget is a fixed pot of money that has been provided by the Council and the preceptors in proportion to the amount of council tax they receive. There is a risk that the budget for Exceptional Hardship Payments will be spent. Should this situation arise the Council and preceptors will have to make a decision on whether to provide additional funds or end the scheme.

8 Equality analysis

8.1 It is not expected that the proposed amendments will disproportionately impact protected groups. The proposals seek to simplify the application process, and help residents experiencing financial hardship to meet their council tax liabilities.

9 Environmental sustainability implications

9.1 Reducing the number of applications a resident has to complete will reduce the amount of paper used in the process.

10 Appendices

- Appendix 1 – Council Tax Reduction Scheme Exceptional Hardship Payment Policy as amended in line with the recommendations to Cabinet

11 Background papers

Equality and Fairness Screening Document