

Report to the Leader of the Council

Subject: Discretionary Hardship Relief for Council Taxpayers 2022/23

Date: 23 May 2022

Author: Director of Corporate Resources and S151 Officer

Wards Affected

All

Purpose

The purpose of this report is:

- 1) To seek approval for a 2022/23 scheme of discretionary discounts to deliver hardship relief to council taxpayers in the Borough of Gedling;
- 2) To delegate to the Director responsible for Housing and Welfare Support Services the authority to determine discretionary reductions in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to the hardship relief for council taxpayers 2022/23 scheme in the Borough of Gedling, in line with the scheme outlined in this report.

Key Decision

This is a key decision as it is likely to be significant in terms of its effect on communities living or working in an area comprising two or more wards of the Borough.

Recommendations

To approve:

- (a) the Council's 2022/23 scheme of discretionary discounts to deliver hardship relief to council tax payers in the Borough of Gedling as detailed in the report at paragraph 2.1.**

(b) The delegation to the Director responsible for Housing and Welfare Support Services the authority to determine discretionary reductions in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to hardship relief for Council Tax 2022/23 in the Borough of Gedling, in line with the scheme outlined in this report.

Background

- 1.1 During 2020/21, as part of its response to Covid-19, the Government provided local authorities in England with hardship grant funding to support economically vulnerable people and households in their local area.
- 1.2 The Government's expectation was that the majority of the hardship grant funding will be used to provide council tax relief, alongside existing local council tax support schemes. The Government recognised that Covid-19 was likely to cause fluctuations in household incomes and that, as a result, some individuals may struggle to meet council tax payments.
- 1.3 The Government expected billing authorities to primarily use their grant allocation to reduce the council tax liability of individuals in their area using their discretionary powers. The Government's intention was that any assistance provided from the council tax hardship fund would not affect the eligibility of recipients for other benefits.
- 1.4 The total grant funding allocated to Gedling Borough Council was £873,000 and this was used in full during 2020/21 and 2021/22 to deliver relief to council tax payers via an approved scheme of discretionary discounts which provided financial support in the form of a reduction in the annual council tax bill for all recipients of working age council tax reduction support (CTRS).
- 1.5 In approving the Gedling Borough Council 2022/23 budget in March 2022, the Council recognised the continuing impact of the Covid-19 pandemic on the economy and the arising inflationary pressures on its residents and made a budgetary provision of £60,000 to enable a further scheme of discretionary discounts to be made available to its most vulnerable residents in receipt of CTRS.
- 1.6 The budgetary provision of £60,000 enables the implementation of a scheme of discretionary discounts in 2022/23 to deliver relief to council tax payers in the form of a reduction in the annual council tax bill for both working age and pensioner age recipients of CTRS of up to £30, recognising that inflationary impacts are affecting all CTRS claimants, as opposed to the previous Government funded scheme which focussed solely on working age claimants. Where a taxpayer's liability for 2022/23 after the application of CTRS is less than £30 then their liability will be reduced to nil. Where a taxpayer's liability for 2022/23 is nil due to the recipient being in receipt of the maximum award of CTRS, no reduction to the council tax bill will be available.

- 1.7 A discretionary discount of up to £30 ensures that the impact of the approved Gedling Borough Council 2022/23 council tax increase of £5 or 2.89% for a Band D property is negated for Gedling's most financially vulnerable residents that are not already in receipt of 100% CTRS discount.
- 1.8 Those recipients of CTRS support whose annual liability exceeds £30 who are experiencing financial difficulties may also apply, to be considered on a case by case basis, for additional hardship relief under the Council's existing Discretionary Housing and Hardship Fund Payments Policy.
- 1.9 The granting of a discretionary discount meets the Council's priority in the Gedling Plan in relation to reducing poverty and inequality and providing support to the most vulnerable.

Proposal

- 2.1 The proposed 2022/23 scheme of discretionary discounts to deliver hardship relief to council taxpayers in the Borough of Gedling, is as follows:

To provide all recipients of both working age and pension age council tax reduction scheme (CTRS) support during the financial year 2022/23 with a reduction in their annual council tax bill of up to £30. Where a taxpayer's liability for 2022/23 is, following the application of CTRS, less than £30, then their liability would be reduced to nil. Where a taxpayer's liability for 2022/23 is nil, no reduction to the council tax bill will be available.

The scheme will be subject of a monthly review to ensure that expenditure can be maintained within the budget allocation.

- 2.2 It is proposed that the Leader delegates to the Director responsible for Housing and Welfare Support Services the authority to determine discretionary reductions in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to the hardship relief discretionary discount scheme for Council Tax 2022/23 in the Borough of Gedling, in line with the scheme outlined in paragraph 2.1 above.

Alternative Options

- 3.1 An alternative to the proposed scheme could be to adopt an alternative local support scheme outside of the council tax system. This may not benefit those experiencing immediate financial difficulties in paying their council tax liability which is the primary purpose of the budget approved by Full Council.
- 3.2 An alternative to the proposal at paragraph 2.2 would be to report each decision for local discretionary relief to the Portfolio Holder for Resources and Reputation for his determination. Currently this would mean that the Portfolio Holder would have to consider approximately 2000 cases. This would place an unnecessary burden on the Executive which is not considered necessary where there is criteria

for eligibility and policies available for the determination of the reductions proposed at 2.1 above.

Financial Implications

4.1 A budget of £60,000 for a scheme of discretionary discounts to deliver relief for council tax payers in 2022/23 was approved by Budget Council on 3 March 2022. The actual cost of the scheme will depend upon the number of eligible claimants that are in receipt of CTRS but whose liability has not been reduced to nil in accordance with the current approved CTRS scheme.

4.2 Based on the current CTRS caseload the proposal to provide relief of up to £30 for those CTRS recipients with a remaining council tax liability can be accommodated within the approved budget. The scheme will be subject of a monthly review to ensure that expenditure can be maintained within the budget allocation.

Legal Implications

5.1 The Council has the discretion to reduce the council tax liability for individuals or prescribed groups as it thinks fit. This discretion is exercised in accordance with section 13A(1)(c) of the Local Government Finance Act 1992.

Equalities Implications

6.1 None arising directly from this report. The proposed council tax relief will be provided in line with the Council's approved CTRS scheme and the existing Discretionary Housing and Hardship Fund Payments Policy which have equalities requirements embedded within them.

Carbon Reduction/ Environmental Sustainability Implications

7.1 None arising directly from this report.

Appendices

8.1 None

Background Papers

9.1 Discretionary Housing and Hardship Fund Payments Policy

Reasons for Recommendations

10.1 To use the Council's discretionary powers to provide council tax hardship reliefs to reduce the council tax liabilities for the borough's most financially vulnerable residents.

10.2 The delegation is requested in order to ensure that no unnecessary burden is placed on the Executive but continued reporting to the Executive is facilitated through the recommendations.

Statutory Officer approval

Drafted by the Chief Financial Officer:

Date: 23 May 2022

Approved by the Monitoring Officer

Date: 24 May 2022