

North Norfolk Council Tax Hardship Policy (Covid-19)

Executive Summary

The policy outlines the Council's approach to the recent initiatives by Central Government to assist taxpayers who are suffering financial hardship due to the onset of the Coronavirus (Covid-19).

Recommendations

To recommend to Council:

1. To approve the Council Tax Hardship Policy (Appendix 1) which will support the administration of the hardship fund.
2. That delegation is given to the Benefits Manager to make any technical scheme amendments to ensure that it meets to criteria set by central government.
3. *To delegate any amendments as to funding distribution following any further funding committed by Government, to the Section 151 Officer and in consultation with the Portfolio Holder for Finance and the Portfolio Holder for Benefits.*

Cabinet Member: Cllr G Hayman

Contact Officer: Trudi Grant/Benefits Manager

1. Introduction

- 1.1. Central Government have provided funds to the council under S31 of the Local Government Act 2003 with the proviso that all monies are paid strictly in accordance with S13A(1)(c) of the Local Government Finance Act 1992 and in line with their guidance issued on 25th March 2020.
- 1.2. The funds named by Central Government as the 'Council Tax Hardship Fund' are designed to meet the immediate needs of all taxpayers who are currently claiming Council Tax Reduction (CTR) under S13A (1) (a) of the Local Government Finance Act 1992. The funds are primarily designed to assist working age applicants with payment of their Council Tax.
- 1.3. This is particularly important given that working age applications are likely to be most affected by the crisis.
- 1.4. It is essentially down to individual authorities to determine how to use the funds. However, Central Government through the Ministry of Housing, Communities and Local Government (MHCLG) state that in order to retain the funding, Councils must look to use monies as directed by them.
- 1.5. North Norfolk District Council received £723,834 under the fund.

2. The Covid-19 Council Tax Hardship Scheme

- 2.1. The Government's strong expectation is that billing authorities will provide all working age recipients of local council tax reduction during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using our discretionary powers to reduce the liability of council tax payers outside of our formal Council Tax Support scheme.
- 2.2. Where a tax payer's liability for 2020-21 is, after any Council Tax Reduction has been

applied, less than £150, then their liability would be reduced to nil.

- 2.3. Where a tax payer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.
- 2.4. We have currently awarded 4490 Council Tax payers with a payment under the fund.
- 2.5. We have currently spent 70% of the fund (£510,679).
- 2.6. All new working age recipients of Council Tax Support will be automatically assessed for eligibility to a payment under the fund, up to and including 31st March 2021.
- 2.7. Where a working age recipient has a change in their circumstances, their existing eligibility to a payment under the fund will be recalculated and either the award reduced or increased, up to £150.

3. Corporate Plan Objectives

- 3.1. Covid-19 (Coronavirus) has affected day to day life and is slowing down the economy. The pandemic has affected thousands of people through sickness, loss of loved ones, and loss of jobs.
- 3.2. The hardship fund is designed to assist residents who have been affected by the pandemic, and to help ease their financial burden.

4. Medium Term Financial Strategy

- 4.1. Councils will have seen a significant reduction to their Council Tax collection rates, leaving a shortfall to income streams. The fund will help councils move closer to their collection targets and help plug the gap in council's budgets.

5. Financial and resource implications

- 5.1. In order to administer the scheme through the Council Tax Support claim using Open Revenues, the Benefits Service has purchased additional software through Civica costing £12,800.00. This has been resourced from Benefits Service budgets. There has not been any additional funding from MHCLG to reimburse councils for these associated costs.
- 5.2. Resources for the roll out of this scheme have come from within the Benefits Service and the Systems Administration team. Any additional working hours to complete the system upgrades and updates to existing working age Council Tax Support claims, outside of normal working hours has been resourced from the Benefits Service budgets.

6. Legal implications

- 6.1. Central Government have provided funds to the council under S31 of the Local Government Act 2003 with this proviso that all monies are paid strictly in accordance with S13A(1)(c) of the Local Government Finance Act 1992 and in line with their guidance issued on 25th March 2020.

7. Communications issues

- 7.1. Communications have been placed on the Council web pages and with Council Tax bills, at the time payments under the fund are administered.
- 7.2. Internal stakeholders including Council Tax, Heads of Service, Service Managers, and Customer Services, have been updated with the intentions of the scheme and the progress.

7.3. A virtual presentation of the schemes intentions and our progress has been delivered to members.

8. Risks

8.1. There will be some system downtime when updating claims in bulk, which may affect service delivery. This has been kept to a minimum to date.

8.2. Reliance on specific people for key roles in the bulk administration of the fund and testing of the software. For resilience, we have two Benefits Managers and two members of the Systems Administration team, who are able to carry out upgrades to the system and bulk updates to claims.

8.3. We must be prompt when sending communications to our customers to prevent avoidable contact.

8.4. We must do as the guidance from the MHCLG directs, otherwise the council's reputation will be at risk.

9. Conclusions and Recommendations

9.1. The Strategic Management Team is recommended to endorse the process and policies that have been put in place to administer the Council Tax Hardship Scheme as directed by the Ministry of Housing, Communities and Local Government (MHCLG).