

MAIDSTONE BOROUGH COUNCIL

RECORD OF DECISION OF THE HEAD OF REVENUES AND BENEFITS SHARED SERVICE

Decision Made: 02 April 2020

Council Tax CoVid-19 Hardship Fund

Decision Made

That the Council exercises its discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992 to provide all recipients of working age Council Tax support (CTS) during the financial year 2020-21 with a further reduction in their annual Council Tax bill of up to £150; and

That in line with the Council Tax Support Scheme approved by Council on the 18 December 2019, the calculation of Council Tax Support for 2020-21 is amended to reflect the increase to the Universal Credit (UC) standard allowance and Working Tax Credit (WTC) basic element for one year from 6 April 2020, with the changes to be mirrored in the needs assessment (applicable amount) and income disregards for the purpose of calculating LCTS.

Reasons for Decision

As part of its response to COVID-19, the Government announced in the Budget on 11 March that it would provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area.

The Government's strong expectation is that billing authorities will provide all recipients of working age Local Council Tax Support ('LCTS') during the financial year 2020-21 with a further reduction in their annual Council Tax bill of £150, using their discretionary powers to reduce the liability of Council Tax payers outside of their formal LCTS scheme design. This is set out by MHCLG in the Covid-10 hardship fund 2020-21 guidance.

<https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance>

In addition, a number of changes were announced to the welfare system including an increase to the Universal Credit (UC) standard allowance and Working Tax Credit (WTC) basic element for one year from 6 April 2020. Due to the way that these benefits interact with the calculation of CTS, a corresponding change is required within the CTS scheme to ensure that the change is not treated as additional income reducing entitlement to CTS and negating assistance to applicants.

Alternatives considered and why rejected

Whilst introduction of the changes is at the discretion of the Council and the Council could decide not to make the changes proposed by Government, this would be to the detriment of low-income working age households in receipt of CTS.

The Council could look to distribute the funding to low-income families using a different criteria but that would be out of step with the approach proposed by Government and being adopted by neighbouring Councils.

Details of the Committee

The decision has been taken in line with delegations to the Head of Revenues and Benefits in the Council's Constitution at Part 2, 2.3.14, paragraph 13:

The administration, collection and recovery of non-domestic rates and Council Tax, including determining any discretionary items in connection with local taxation or national non-domestic rates. The Chairman and Vice-Chairman of Policy and Resources Committee have been consulted on this.