

Council Tax Hardship Relief Support Scheme

Final Decision-Maker	Council
Lead Head of Service	Stephen McGinnes, Mid Kent Services Director
Lead Officer and Report Author	Sheila Coburn, Head of Revenues and Benefits
Classification	Public
Wards affected	All

Executive Summary

The report sets out a scheme, funded by Kent County Council, to provide additional Council Tax support for low-income households and for households suffering financial hardship as a consequence of the Covid 19 pandemic.

Purpose of Report

Decision

This report makes the following recommendations to the Council:

1. That Council notes the additional funding to be provided by Kent County Council for the purpose of providing Council Tax relief; and
2. That delegated authority be given to the Head of Revenues and Benefits, in consultation with the Director of Finance and Business Improvement, to finalise and implement the necessary changes for the scheme as set out in paragraph 2.9 of the report.

Timetable

Meeting	Date
Council	24 February 2021

Council Tax Hardship Relief Support Scheme

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities.	Sheila Coburn, Head of Revenues and Benefits
Cross Cutting Objectives	The report recommendation(s) supports the achievement(s) of the Deprivation and Social Mobility cross cutting objectives by providing additional financial support to low income working age households.	Sheila Coburn, Head of Revenues and Benefits
Risk Management	Refer to paragraph section 5 of the report.	Sheila Coburn, Head of Revenues and Benefits
Financial	The proposals set out in the recommendation are to be funded through additional grant funding from Kent County Council and need no new funding for implementation.	Section 151 Officer & Finance Team
Staffing	We will deliver the recommendations with our current staffing.	Sheila Coburn, Head of Revenues and Benefits
Legal	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 Support Scheme.	Team Leader Corporate Governance
Privacy and Data Protection	Accepting the recommendations will increase the volume of data held by the Council. We will hold that data in line with our retention schedules.	Policy and Information Team

Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	[Policy & Information Manager]
Public Health	We recognise that the recommendations will have a positive impact on population health or that of individuals.	Sheila Coburn, Head of Revenues and Benefits
Crime and Disorder	The recommendation will not impact on Crime and Disorder.	Sheila Coburn, Head of Revenues and Benefits
Procurement	The recommendation will not require any procurement of goods or services.	Sheila Coburn, Head of Revenues and Benefits

2. INTRODUCTION AND BACKGROUND

- 2.1 As a result of the economic impact of the Corona virus, 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 county.
- 2.2 Maidstone Borough 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 as part of the KCC Helping Hands scheme.
- 2.3 Whilst the scheme will be administered by Maidstone Borough Council the cost of the scheme will be met in full by Kent County Council.

Overall Approach

- 2.4 Maidstone Borough Council operates a Council Tax Reduction Scheme (CTRS) which reduces the Council Tax bill 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 10% to 80% of the total Council Tax bill.
- 2.5 We have seen the number of working age households that receive CTR increased by 12% since the start of the Covid-19 pandemic, mostly in the

first few months of the financial year with 6,152 working age households currently receiving support.

- 2.6 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.
- 2.7 In recognition of the disproportionate impact of the pandemic on their finances, Kent County Council is proposing to fund Council Tax Hardship Relief support as part of the Helping Hands scheme to help assist these households and offset part of the planned increase in Council Tax in 2021-22 for these households.
- 2.8 The broad policy objectives of the hardship scheme are as follows:
- Support scheme in 2021-22 to widen reach of financial support for Council Taxpayers
 - 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 starting 1st April 2021.
- 2.9 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 Maidstone will be automatically reduced by a maximum of £50. New claimants throughout the year will also receive up to the maximum £50 reduction.

It would cost £307,600 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) Maidstone Borough Council will be given funding by KCC 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.

Maidstone Borough Councils existing Council Tax Hardship 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.

3. AVAILABLE OPTIONS

- 3.1 Implement proposed scheme – the proposed scheme was developed by KCC taking account of Council Tax support 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 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.
- 3.2 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.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Implementing the proposed changes will benefit low-income households and those financially impacted by the Covid pandemic, with the cost met by Kent County Council.

5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The proposed changes set out within the report have been developed in discussion with Kent County Council and follow the decision made by Kent County Council on the 16 February 2021 to help address the impact of the Covid 19 pandemic.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 We will seek to apply the £50 reduction to working age households in receipt of Council Tax Reduction automatically as part of the annual Council

Tax billing process. We are working closely with our software supplier to ensure that the necessary amendment to the billing process can be implemented.

- 7.2 The hardship scheme for non-benefit households will be advertised as part of a broader message that the households having trouble should make contact, with relief awarded on a case-by-case basis taking account of individual levels of financial hardship.
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8. REPORT APPENDICES

- None

9. BACKGROUND PAPERS

- None