

# **Cabinet Member Decision Note**

## **Covid-19 Response**

### **Council Tax Support Hardship 2020/21**

**To: Deputy Leader of the Council and Cabinet Member for Finance, Education and Skills**

**Date: 27<sup>th</sup> May 2020**

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Author: Head of Revenues & Benefits

Wards: All

Parishes Affected: All

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#### **1. Purpose and Reasons**

- 1.1 This reports sets out the Council's hardship provision to help mitigate some of the economic impacts that have resulted from the Covid19 virus pandemic. The Council has been given a grant to help working age council tax support claimants.

#### **2. Recommended Action to be Authorised by a Cabinet Member Under Delegated Powers**

##### Recommended that:

- 2.1 The Cabinet Member authorises the Head of Revenues and Benefits to grant each council tax support working age claimant an additional £150 council tax support for 2020/21 only. If their council tax liability is below £150 then the award will be the amount that they are liable to pay for the year.

#### **3. Detail**

- 3.1 Due to the economic hardship resulting from the Covid19 virus the Government has provided grants to local councils to use to help economically vulnerable residents, with the expectation that the majority is to be used to fund additional council tax support. Swindon has been allocated £1,305,752 for this purpose.
- 3.2 The Government has advised councils that it expects them to provide a one off payment of £150 to each working age council tax support claimant or, if their council tax is less than £150 in the financial year 2020/21, the balance of the council tax.
- 3.3 At 1<sup>st</sup> April 2020 there were 6,210 working age claimants. Initial analysis shows 3,356 already receive 100% council tax support, since someone in the household has a disability. The cost of awarding the £150 to the remaining caseload is £384,000.

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Further information on the subject of this report can be obtained from Andy Stevens on telephone 01793 464607 or via email [Astevens3@swindon.gov.uk](mailto:Astevens3@swindon.gov.uk).

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3.4 Due to the economic difficulties the number of council tax support claimants is increasing and we have received an additional 1,000 claims between 1<sup>st</sup> April and 11<sup>th</sup> May 2020. If overall an additional 4,000 claims are put into payment this financial year, including the £150 addition, then the cost to the council tax collection fund would be approximately £5.2 million (if the claims are paid for the whole financial year). The awards of £150 to an additional 4,000 working age claimants could cost £600,000.

3.5 Since the eventual number of residents, who unfortunately, will have to claim council tax support is unknown at the current time, it is not possible to know exactly how much of the £1,305,752 grant will be required to fund the additional £150 payments that the Government has asked councils to apply. Further analysis will be produced over the next few months and, if the numbers of new claims are lower, it may be possible to either help individuals who do not receive support with their council tax or to help fund the increase in expenditure on the Swindon Emergency Assistance Fund. During the Covid19 pandemic the 'Swindon Emergency Assistance Fund' has been utilised to provide food and essentials to individuals who could not make payment and are being 'shielded' and other applications from the economically vulnerable also appear to be increasing.

#### **4. Alternative Options**

4.1 The Council could choose not to implement this change, although it is expected to implement the £150 award to working age council tax support claimants. The grant is provided on the basis that payments will be made to 'economically vulnerable' residents and that the £150 is granted.

#### **5. Consultation**

5.1 The following Opposition and Minority Group Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Councillor Robert Wright 22/5/20

I think it is best that SBC handles the payment as if it is not one in isolation or limited to £150. 4.5 of the decision note shows at this time it is not possible to predict the take up. It seems to me there is little choice but to treat each claimant one at a time assessing their needs and also to monitor the government funding

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usage. The £150 cannot be avoided as it's specific use is prescribed by government.

The Budget included a £500 million 'hardship fund' for local authorities in England to help them support vulnerable people during the outbreak. The government has expectations on how this funding is to be used and SBC has already established their own approach, the "Swindon Emergency Assistance Fund". This is expected to use remaining grant to assist those in need," which might include further council tax relief or additional support through Local Welfare or similar schemes.

***The emergency fund is crucial to supporting local needs and I think we have to use the previous average and current demand to provide data for a further budget claim to the government.***

Later in the year if things settle down (lets hope) further top up may be possible. As long there is an incremental use of the money further use prediction will be possible. The elephant in the room is after "lock down" will there be jobs/work to return too? We have to for instance consider the impact of the Honda closure and its affect on the local economy.

At this time I support the £150 allocation as prescribed by government however my fears are we will exceed the current government funding and we have to produce a case for more government funding.

Councillor Stan Pajak – No Comment received

#### **6. Implications, Diversity Impact Assessment and Risk Management**

##### Financial and Procurement Implications

- 6.1 The Council has been provided with a grant of £1,305,752 to help make these awards, but if the number of council tax support claimants increases by over 1,000 the council tax collection fund will already be in deficit.

##### Legal and Human Rights Implications

- 6.2 Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the steps taken by the Council in

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relation to council tax support are proportionate and compatible with convention rights. Council Tax reductions can be granted in accordance with section 13(A) of the 1992 Local Government Finance Act as amended.

#### Climate Change Impact

- 6.3 The proposals would not bring a change in the service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

#### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.4 This will help low income households through a very difficult time and no major impacts have been identified.

#### Diversity Impact Assessment

- 6.5 A Diversity Impact Assessment (DIA) has been undertaken and a copy can be obtained from the report author. Although no adverse effects were identified, there is a concern that some pensioner claimants may feel that they are not being assisted. However, it should be noted that pensioners can already receive 100% Council Tax Support, unlike many working age claimants, who can only receive a maximum of 80% support towards their Council Tax bill. Pensioners also receive higher basic allowances as part of the claim calculation process.

#### Risk Management

- 6.6 If the Council grants council tax support in excess of the amounts shown then there will be a burden on the council tax collection fund, but monitoring is being undertaken to limit this impact and the expected increase has been highlighted.

### **7. Consultees**

- 7.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

### **8. Background Papers**

- 8.1 None

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#### **9. Appendices**

9.1 None

#### **10. Declarations of Interest**

##### Opposition and Minority Group Spokespersons / Ward Members

- 10.1 Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to their Group Leader.

##### Cabinet Member(s)

- 10.2 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

#### **11. Sign-off**

- 11.1 The Cabinet Member is requested to respond with 5 days of the date of this report (by 3<sup>rd</sup> June 2020).

- 11.2 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report:

Note and support the proposed action to be taken under delegated authority –

Yes / No

Note and request the proposed action be reconsidered – Yes / No

Reasons for Reconsideration:

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Request Report be Referred to Cabinet - Yes / No

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NB To protect against identity theft, Cabinet Member's signatures will be redacted on public versions of the signed Briefing Note.

Date ...27<sup>th</sup> May 2020.....

**REDACTED**

Signed .....Cabinet Member

- 11.3 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is "called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.