

Part A

Report to: Cabinet

Date of meeting: 6 July 2020

Report author: Jane Walker, Head of Revenues and Benefits

Title: Section 13A Policy

1.0 Summary

Every Local Authority must have a Section 13A Local Government Finance Act 1992 scheme through which any person can make a request for an amount of Council Tax to be reduced or written off. The award is discretionary. All claims are considered on an individual basis

2.0 Risks

2.1 None identified.

3.0 Recommendations

3.1 That the policy set out in appendix 1 be approved.

3.2

That decisions relating to granting relief under the Scheme be delegated to the Revenues and Benefits Manager with reviews considered by the Head of Revenues and Benefits.

Further information:

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4.0 Detailed proposal

4.1 The Proposed Policy in Appendix 1 outlines the Council's approach to granting discretionary reductions in liability for Council Tax under S13A (1) (c) of the Local Government Finance Act 1992 (as amended).

The Policy is divided into three main areas namely: The Council Tax Hardship Fund, The Flood Recovery Framework and granting reductions in council tax liability in all other circumstances.

1. The Council Tax Hardship Fund (COVID-19) was one of the initiatives announced by Government to assist Council Tax payers who are suffering financial difficulties due COVID-19.
2. The Flood Recovery Framework is there in the event that a local authority may assist their community and businesses to recover and support returning to normal, in the case of a major flooding event where government funding is made available to the affected local authority area
3. Finally there is an 'all other circumstances' catch all which is for the individual local authorities discretion to deal with any other application for a reduction in liability.

4.2 Watford Borough Council has received £802,028 from Central Government for Council Tax Hardship to spend in 2020/21 as a result of COVID19. The funds are designed to meet the needs of all those taxpayers who are currently in receipt of Council Tax Reduction (CTR). The funds are primarily aimed at helping working age people pay their Council Tax. Scheme guidance issued by MHCLG strongly suggests that all current working age recipients of CTR are awarded a further reduction of £150 in their annual council tax bill (or less than £150 if their balance is less which will take their balance to zero).

Having allocated grant to reduce the council tax bill as described above, billing authorities are then able to establish their own local approach to spending any remaining grant to assist those most in need.

4.3 WBC has allocated all CTR recipients a reduction to their 2020/21 council tax bill of £150, or has reduced their balance to nil where the remaining balance was less than £150. In doing this, as at 25.06.20, 1444 awards have been made totalling £220,049.

This leaves a balance to spend of £581,479.

As these funds are predominately aimed at working age customers in receipt of CTR, the simplest way to spend more of the funds is to allocate a further £150.00 (or less if their balance is less) therefore further reducing the amount of council tax liability.

There are currently 1979 CTR claimants who still have a balance on their council tax account of £150.00 or less. Reducing their council tax bills by a further £150.00 (or less) would cost approximately £215,000, increasing the overall spend to £435,049.

Some funding needs to be put aside as during the financial year as brand new claims are received from customers qualifying for CTR for the first time, awards of £150.00 or less need to be made. CTR caseload has increased in April and May 2020 by an average of 100 cases per month. Assuming this trend continues, £150,000 would need to be put aside. This would bring the total spend to £585,048.

The funds can also be used to assist the Housing Department with securing alternative accommodation for the rough sleepers that have been housed temporarily due to COVID-19, and those who have no recourse to public funds. £50,000 has been identified as the amount required.

As mentioned at the beginning of the report, it is possible to receive application for Section 13A awards that are not necessarily related to COVID-19 which need to be looked at on an individual basis. It is therefore recommended that if funds are remaining, some are used for such applications. It is recommended that the Scheme be administered within Revenues and Benefits with any applications for “all other circumstances” relief as described in 4.1.3 above being determined initially by the Revenues Manager and any request for a review being determined by the Head of Revenues and Benefits. .

5.0 **Implications**

5.1 **Financial**

5.1.1 The Shared Director of Finance comments that WBC has a fund of £802,028 from Central Government to spend in 2020/21 for Council Tax Hardship. Any Section 13A discount that is allocated that would exceed this amount must be provided by the Council from its own resources.

5.2 **Legal Issues** (Monitoring Officer)

The Council must have a scheme that sets out how it will determine eligibility for a reduction in Council Tax under S13(1) (c) of the Local Government Finance Act 1992

Appendices

- Section 13A Policy

Background papers

No papers were used in the preparation of this report.