



Doncaster Council

Report

Date: 16th February 2022

To Mayor Ros Jones, Cabinet Member for Budget & Policy Framework

2022/23 Local Council Tax Additional Hardship Support

Relevant Cabinet Member(s)	Wards Affected	Key Decision
The Mayor	All	Yes

EXECUTIVE SUMMARY

1. For the past 2 years as part of the response to the Covid-19 pandemic, the government have provided funding to local authorities to support their own Local Council Tax Support Schemes, by the award of additional relief through hardship funds.
2. In Doncaster, the Council provided all recipients of working age local council tax support (LCTS) during the financial year 2020/21 a reduction in their annual council tax bill of £150. Where a taxpayer's liability for 2020/21 was, following the application of council tax support, less than £150, then their liability reduced to nil. Where a taxpayer's liability for 2020/21 was nil, no reduction to the council tax bill was available. For the financial year 2021/22, the Council increased the level of support to a maximum of £300.
3. In 20/21, there were 8,267 LCTS recipients from the additional hardship fund to a value of £837,731. In 21/22, as at the end of November 2021, 5,972 recipients have received £1,105,715 in relief so far this year. The latter figure would have been £562,254 if we had continued to award a maximum of £150 in 2021/22.
4. For the 2022/23 financial year, the government have not announced any further support specifically related to LCTS schemes, however, Doncaster Council see the benefit of extending this additional hardship scheme for a further year, as people start to get over the continuing financial impacts of the pandemic.
5. Therefore, the Council will continue to award a Hardship Grant of a maximum £300 to working age recipients of LCTS, using the same criteria to make

awards as those made under the previous Hardship Fund provisions.

6. As at the end of November 2021, there were just under 15,639 working age people in receipt of LCTS from Doncaster's scheme. Of these, it is estimated **4,204** would be eligible for an additional payment using the same Hardship Fund provisions that applied in previous years at a cost of **£1,006,000**.
7. Further awards under these proposals will be necessary during the 2022/23 year to new working age LCTS claimants, which based on previous trends would increase the initial awards to an estimated total for the year of around **£1,600,000**.

EXEMPT REPORT

8. Not applicable.

RECOMMENDATIONS

9. It is recommended that Mayor Ros Jones, Cabinet Member for Budget & Policy Framework:
 - (i) approves the award of additional Council Tax Support of up to £300 in 2022/23 for around 4,204 current LCTS working age recipients in line with the Hardship Fund criteria established in 2020/21; and
 - (ii) approves the award of additional Council Tax Support of up to £300 for new LCTS working age recipients during the year 2022/23 in line with the established criteria.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

10. These proposals will support 4,204 current LCTS recipients who may otherwise struggle to meet their Council Tax payments at what continues to be an extremely challenging time for all residents due to the coronavirus pandemic. Many more citizens will benefit from these proposals if they fall into financial difficulty and have to claim LCTS during 2022/23.

BACKGROUND

11. In response to the coronavirus pandemic, the government announced in the Budget on 11 March 2020 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.
12. Doncaster's share of the grant funding was £2,992,753 and was paid through a grant under section 31 of the Local Government Act 2003. The government's expectation was that the majority of this funding would be used to provide additional Council Tax relief, alongside existing LCTS schemes.
13. The government issued guidance on the eligibility criteria for further support. The guidance set out the government's strong expectation that authorities would provide all working age recipients of LCTS during the financial year 2020-21 with a further reduction in their annual Council Tax bill of £150. Where a taxpayer's liability for 2020-21 was less than £150 following the application of LCTS, the guidance stated their liability should be reduced to

nil. The guidance also stated that no further support should be awarded to those taxpayers who have no Council Tax liability after the award of LCTS.

14. Doncaster's LCTS scheme still provides up to 100% support for the poorest households. Also, in 2020/21, 8,267 awards of the Hardship Fund totalling over £837k was made to working age people not receiving the full 100% support. This represents payments to more than 50% of 16,000 working age people currently in receipt of Council Tax Support.
15. For the 2021/22 financial year, the Government provided further funding as part of the COVID-19 funding for local government. Funding was given in the form of a Local Council Tax Support Grant that provided authorities with a share of £670m allocated to the scheme. Doncaster's share of this funding was £2.79million.
16. This grant was provided to local authorities in recognition of the extra cost to them of local council tax support at a time when more households were facing financial difficulties because of the pandemic. There were no specific requirements connected to the grant regarding the design of local council tax support schemes for 2021/22, which remained a matter for billing authorities, in consultation with their major precepting authorities and the public. The funding was un-ring-fenced but was provided towards expenditure incurred, or to be incurred, in respect of the provision of local council tax support in 2021/22.
17. Therefore, Doncaster Council agreed to award additional payments of up to £300 to working age local council tax support recipients as set out under the criteria for the previous year's scheme for the 2021/22 financial year.
18. As at the end of November 2021, 5,972 recipients have received £1,105,715 in relief so far this year. Awards continue to be made as working age claimants become eligible for LCTS and it is anticipated that the final cost for 2021/22 could be as high as £1.3M.
19. For 2022/23 the Government has not indicated that any specific funding will be made available, however, Doncaster Council see the benefit of extending this additional hardship scheme for a further year, as people start to get over the continuing financial impacts of the pandemic.
20. There is no requirement for any recipient of LCTS to make a separate claim for a further reduction under this scheme. Eligible claimants will have the support automatically awarded and will be issued with new Council Tax bills. Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, will not be taken into account in assessing eligibility for a further reduction.
21. This support will be issued as quickly as possible to individuals who are eligible, to provide them with further reassurance about their ability to pay for their Council Tax.

OPTIONS CONSIDERED AND REJECTED

22. The following options have been considered:

Option 1: Do nothing

The government has not legislated for this further support to working age LCTS recipients but has, instead, advised that local authorities can use their discretionary powers under Sections 13A(1)(c) of the Local Government Finance Act 1992, to award the support. However, as awarding, the further support will deliver some relief to Council Tax payers in this incredibly difficult crisis and the government will reimburse us for the cost of the relief, this option is not recommended.

Option 2: Award further support under alternative criteria to that outlined above

Local authorities have discretion under Section 13A (1) (c) of the Local Government Finance Act 1992 to award an alternative form of further Council Tax support. However, as the Government gave guidance in 2020/21 for the COVID-19 hardship fund scheme stating their strong expectation that authorities would award further support in line with the stated criteria. The current proposal plans to replicate these accepted criteria. Therefore, the option to look for alternative criteria is not recommended.

Option 3: Award further support for 2022/23 in line with the criteria stated outlined in the MHCLG COVID-19 hardship fund 2020-21 guidance

The MHCLG hardship fund scheme criteria is designed to ensure an adequate and consistent scheme of further Council Tax relief to support Council Taxpayers through the COVID-19 crisis. By replicating this scheme for the 2022/23 financial year, we would be providing an acceptable scheme to achieve this aim, of supporting these taxpayers as the COVID situation continues. **This is the recommended option.**

REASONS FOR RECOMMENDED OPTION

23. **Option 3** is the recommended option. This option provides a consistent scheme of further relief to Council Tax payers at a time that continues to be extremely difficult and challenging. The cost to the council of the scheme will be fully met by the Council.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

24.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	

	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>Awarding relief to eligible Council Tax payers will provide some financial relief during this continuing extremely difficult period because of the coronavirus pandemic.</p>
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents 	

	<ul style="list-style-type: none"> • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	
--	--	--

RISKS AND ASSUMPTIONS

25. There is a risk that we may not identify all Council Tax payers eligible for further support under these proposals or that an incorrect amount of support may be awarded. These risks will be managed through robust processes for identifying eligible households and automation of further support values wherever possible.

LEGAL IMPLICATIONS [Officer Initials: SRF Date: 19.01.21]

26. Section 13(a)(1)(c) of the Local Government Finance Act 1992 gives the local authority the discretion to reduce the amount of council tax payable in respect of a dwelling, by such amount as it thinks fit. Such reductions can be made in addition to any reductions already made in accordance with the authority's council tax reduction scheme and can apply to specific cases, or a class of cases. The legislation also allows the reductions to have the effect of reducing the council tax liability to nil.
27. When applying discretion to reduce council tax liability in accordance with the legislation the authority should have regard to government guidance. The recommendations contained within this report are compliant with both the legislation and the corresponding guidance.

FINANCIAL IMPLICATIONS [Officer Initials: CC Date: 18/01/22]

28. The main financial implications are set out in the body of the report, including the estimated value of Local Council Tax Additional Hardship Support being a maximum of £1.6M during 2022/23. This will be funded from un-ring-fenced COVID-19 grant that will be released into the LCTS budget as required. While there is no reference to having to supply a return on the use of the grant, the guidance does say local authorities will wish to maintain a record of grant expenditure under this scheme and so this is recommended.

HUMAN RESOURCES IMPLICATIONS [Officer Initials RH Date:18/01/22]

29. There are no specific HR implications associated with this report.

TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 18/01/22]

30. There are no technology implications in relation to this report. As stated above, there is no requirement for a separate claim and eligible claimants will have the support automatically awarded and be issued with new Council Tax

bills. The Northgate Revenues and Benefits system has existing functionality to support LCTS schemes.

HEALTH IMPLICATIONS [Officer Initials: RS Date: 18/01/22]

31. Debt and poverty have a large impact on health and wellbeing, and health and wellbeing has an impact on poverty. Living with the day-to-day stress of poverty in early childhood can have long-term health impacts. Poverty also reduces people's ability to participate in society, to make healthy choices and to study or retrain. This scheme is one way to minimise the level of poverty and debt in Doncaster and supports improved health and wellbeing.

EQUALITY IMPLICATIONS [Officer Initials JG Date: 24/01/22]

32. We are aware as a Council that we have responsibility under Public Sector Equality duty to ensure due regard is shown to communities and individuals with protected characteristics. As this decision is based around clear government guidance, due regard has been embedded into the process.

CONSULTATION

33. There are no consultation requirements associated with these proposals that are based around existing government criteria.

BACKGROUND PAPERS

34. None.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

LCTS – Local Council Tax Support

MHCLG - Ministry of Housing Communities and Local Government

REPORT AUTHOR & CONTRIBUTORS

Alan Stoves, Head of Revenues and Benefits
01302 735585
alan.stoves@doncaster.gov.uk

Debbie Hogg
Director of Corporate Resources